The China Weekly

REVIEW

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February 18, 1939

Elements in Shanghai Crime

AN EDITORIAL

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In the United States Court for China

In the Matter of the Estate of WILLIAM PENN HUGHES, Deceased.	Cause No. 4114 Estate No. 1993 NOTICE OF HEARING Filed at Shanghai, China, this 28th day of January, 1939. WILLIAM T. COLLINS Clerk.

NOTICE OF HEARING

Pursuant to an Order herein made notice is hereby given to all persons concerned or interested that the Final Report and Account of the Administrator of the above entitled Estate has been filed and approved and that there will be a hearing with respect to the distribution of the assets of said Estate on Friday the 28th day of April, 1939, at 10 o'clock in the forenoon in the Court room of the United States Court for China at Shanghai.

WILLIAM T. COLLINS,
Clerk, United States Court for China.

Franklin & Harrington,
Attorneys for Administrator,
Shanghai, China.

In the United States Court for China

In re LAST WILL AND TESTAMENT of ALBERT ERNEST JACKSON, deceased.	Cause No. 4386 Estate No. 2265 NOTICE Filed at Shanghai, China, February 16, 1939. WILLIAM T. COLLINS, Clerk.

NOTICE IS HEREBY GIVEN that Vivienne Wells Jackson has filed herein a petition for the probate of an instrument purporting to be the last will and testament of Albert Ernest Jackson, deceased, praying for an order admitting said instrument to probate and for the issuance of letters testamentary to her; and that the 8th day of April, 1939, at 10 o'clock in the forenoon of said day at the court room of the United States Court for China at Shanghai, has been set aside for the hearing of said petition, and all persons interested are hereby notified to appear at the time and place set for said hearing and show cause, if any they have, why the prayer of said petition should not be granted.

Reference is hereby made to said petition and to the citation heretofore issued herein for further particulars.

Dated February 16th, 1939.

WILLIAM T. COLLINS,
Clerk,
United States Court for China.

SELLETT & NELSON,
Attorneys for Petitioner.

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What People Are Saying

Comments from Readers on Current Topics are cordially invited; their opinions, however, do not necessarily represent the views of the *China Weekly Review*.

LUCKY DAI NIPPON

To The Editor:

Japan's luck holds. Britain and France confronting Germany and Italy are like a man who will do anything to persuade a violent and hysterical woman to keep the peace. If they came to blows the violent and hysterical one would get the worst of it, but the damage done would be tremendous, and no approach to a cure would be effected, while, if immediate violence can be avoided, there is some hope of a calmer frame of mind supervening. And, of course, violent and hysterial women understand all this perfectly well and gamble on it. Things have reached such a pass in Spain that the Far East looks quite small; and Mr. Neville Chamberlain's one hope is that it he can "appease" his neighbors sufficiently, England will still have enough money to buy herself back into a position of influence. It is neither a bold nor an optimistic policy, but the best he has at the moment.

The **Times** gave ample space the other day to the annual meeting of the Japan Society, at which Mr. Shigemitsu, the Ambassador, dwelt at great length on the fact that a feeling of warm friendship was the predominating sentiment of Japan towards China. Apparently everybody present agreed, and the enthusiasm proper to a Japan Society meeting was in no way lacking. It is sad, of course, that China does not recognise Japan's sincerity, as the members must have felt when they read a couple of days later in the **Daily Telegraph** that Baron Hiranuma, addressing the Diet, said that the only alternative for Chinese who persistently refused to understand Japan's good will was extermination.

It is hard to keep up one's optimism with evil flourishing on all sides, and with it demanding, moreover, that we recognise it as good. However, if, after all, wrong is to triumph, we can, at least, accept Baron Hiranuma's alternative, and go down with the ship.

A. MORGAN YOUNG.

Oxford, Jan. 22, 1939

FOOCHOW CONDITIONS

To The Editor:

For more than eighteen months after the hostilities, Foochow, the capital of Fukien, was lucky enough in enjoying peace, without much change compared with pre-war. Although the provincial government, for the sake of safety and convenience, has moved to Yungan, business on the spot is carrying on as usual.

On account of constant threats by the Japanese battleships along the coast, most of the noble-class people, as in other big cities, left for Shanghai and Hongkong for securing paradise life. Cabarets were closed down; theaters had poor business. High schools and colleges continue their work in the interior part of the province. Military training is popular among all schools.

As to the organization and training of the masses for local defence, it has greatly improved through the effort of the provincial authorities. Fukien is ready to meet the invaders.

H. H. CHENG

Shanghai, Feb. 11, 1939.

LOCAL RUSSIAN VIEW

To The Editor:

Two years ago when people called me a "White Russian" I did not object. To say that I was proud of this appellation (as some of our leaders would like us to be) would be a gross exaggeration. However, since the commencement of the Sino-Japanese undeclared war in 1937, the term "White Russian" began gradually to assume more and more unpleasant significance in my eyes. It all started with local Russian newspapers conducting a subtle but nevertheless intensive pro-Japanese peopaganda.

I wish to appeal to your readers, especially your Chinese readers, on behalf of the members of my church. Our community is very small and exclusive. We want you to know that we condemn the activities of the White Russians and Orthodox clergy in Shanghai, and have no connection whatever with them. Do not insult us by calling us "White Russians." We are Russian emigres, we remain loyal to the National Government of China, and we will offer daily prayers for the speedy victory of our suffering Chinese brothers.

Moreover, we are not traitors. We will never join in the alliance of the enemies of democracy, because we realize that this alliance will strike against our own country, Russia. And we still love her, whatever from of government she may be under at present.

A. J. LEONIDOV, B.D.,
Minister, Russian Protestant
Neo-Episcopal Church.

Shanghai, February 14th, 1939.

HONGKONG PRAISE

To The Editor:

I want to congratulate you upon your new make-up and the wonderful strides which you have made in recent years. There is, I can say with all frankness, nothing to approach the **China Weekly Review** as far as China news is concerned—not even the **North-China Herald**, which for many years was under my charge when I was associated with the **North-China Daily News.**

W. H. CHEN.

Hongkong, February, 1, 1939.

THE CHINA WEEKLY REVIEW

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S.M.C. PAY INCREASES

To The Editor:

The recent pay increases granted to employees of the Shanghai Municipal Council have aroused a storm of criticism. This compelled the S.M.C. to form a special committee to examine the question. The most significant feature of the increases is the disproportion between the increments given, respectively, to the foreign and Chinese employees of the Council. It seems that the Council does not appreciate the difficulties confronting its Chinese employees as a result of the sharp increase in the cost of living.

P. H. ALFRED WANG.

Shanghai, February 4, 1939.

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ELEMENTS IN CRIME SITUATION WHICH EVERYBODY UNDERSTANDS

RESIDENTS of such cities as Kansas City, Chicago or New York where crime and racketeering are notorious features of municipal life should be able to understand, without much difficulty, the present situation in Shanghai.

Recent outstanding events include the receipt, by a local newspaperman and radio-commentator of an anonymous letter declaring that a number of writers—Americans, Britons, Chinese and one Italian—had "all been pronounced to death." The list included C. D. Alcott of *The China Press*; Randall Gould and M. C. Ford of the *Evening Post*; J. B. Powell, *China Weekly Review*; H. J. Timperly, *Manchester Guardian*; Agnes Smedley, author of books and correspondent with the Fourth Army; Edgar Snow, author and writer; Amelito Vespa, author of "Secret Agent of Japan;" J. A. E. Sanders-Bates, publisher of Chinese newspapers; and four Chinese editors, Kwei Chung-hsi, Chung Yuan-lan, Sung I-chung, Sung Chuang. According to rumors in police circles the letter was written by the editor of a local Japanese-subsidized journal.

A further development of outstanding interest was the arrest of 144 suspects and seizure of 18 pistols police in the first eight days of the present month by the of the International Settlement.

The arrests were made following a number of battles between armed gangs and political assassinations in which officials of the local Japanese-supported "Ta-Tao" Government were the victims.

The local Japanese Consul-General in sanctimonious attitude called on the Chairman of the International Settlement and demanded that action be taken to suppress lawlessness in the foreign-administered areas. Since it is universally recognized that the No. 1 gangsters in the Far East are the Japanese warlords themselves, the Chairman of the Council, C. S. Franklin, who is an American, told the Japanese Consul-General that the chief cause of lawlessness in Shanghai is the no-man's-land on the western border of the Settlement where gambling, opium smoking, prostitution and low-class dives are operated within territory controlled by the Special Service Section of the Japanese Army.

Since the Municipal Council made public the statement of its Chairman, the Japanese military spokesmen and their local news organs, the *Tairiku Shimpo*, and *Domei* news service have practically exhausted their vocabularies of English words in shouting insulting epithets at the foreigners. Members of the police department were charged with graft and squeeze enabling department heads to retire to comfortable homes abroad with more than comfortable incomes.

Finally on Tuesday of this week the Japanese propaganda organs charged the officials of the International Settlement and French Concession with deliberately following the home policies of Britain and France (no mention of America) in supporting the Chinese National Government by protecting political elements in the local Chinese population. Specifically the Japanese charged the Settlement authorities with a breach of "international fidelity" for failing to hand-over to the Japanese Army the suspects who were arrested in local round-ups following the gang fights and assassinations of local puppet officials. Chairman Franklin was charged with "faithlessness" in allegedly trying to shift responsibility by placing the blame on the local Japanese-protected gambling and opium-joints. The Japanese injected a political element into the controversy by declaring that "in inverse proportion to the decline of the Chungking regime's power, the activities of anti-Japanese elements in the Settlement are gaining force and velocity . . . . which can only be attributed to lack of sincerity on the part of the municipal authorities in controlling such subversive activities." As a parting shot the authorities of the foreign-administered areas were charged with "resisting Japan by assisting China."

Since the blackmail letter declaring that a number of local foreign and Chinese newsmen and writers had been "pronounced to death," included the name of the Italian, Amleto Vespa, author of "Secret Agent of Japan," it is interesting to note that his recently published book contained a chapter dealing with the introduction of Japanese prostitution, opium and gambling into Manchuria following the occupation, which greatly resembles the situation which has grown up here since the Japanese occupation of the Hongkew section of the Settlement and the areas surrounding the foreign-administered districts. Prefacing his statements with the information that the position of women in Japan is mediaeval and that a woman's life is slavery to man from the cradle to the grave, Vespa stated that a chief source of unrest and rebellion in Formosa for many years was the kidnapping of Formosan young women and the misappropriation of their wages by the Japanese police. In Korea there are officially registered joint stock-companies which deal in human-flesh.

Referring to the situation in Manchuria he said that early in 1932, following the occupation, hundreds and hundreds of Japanese girls began to arrive, imported into Manchuria by the Japanese Monopoly Syndicate to supply brothels, tea-houses, cabarets, dance-halls, and Japanese restaurants. The system is financed by the large Japanese banks and trading companies as any other business. In Harbin the Syndicate occupied quarters in a leading office building and was at the disposal of anybody without distinction of race or nationality. One could leave an order for 100 girls or for one only—of

Japanese, Russian, Chinese or Korean nationality—on the take your choice system.

Mr. Vespa told of "wars" between gangsters employed by the Monopoly Syndicate and other groups which tried to "break into" the prostitution, opium and gambling rackets, the official monopolists occasionally being opposed by the local gendarmerie. In one case, after a bloody war of several days, there was a compromise in which the gendarmerie won the right to control the "tax" incomes from five brothels, five opium-dens, one gambling-house and one narcotic-shop. The Monopoly had to be content with the less profitable places. The extent of this type of Japanese enterprise was indicated in Vespa's figures for 1936 indicating that in Harbin were 172 brothels, 56 opium-dens and 194 narcotics shops. In the provinces of Heilungkiang and Kirin there were 550 licensed brothels with 70,000 Japanese and Korean girls.

Turning to the situation which has developed here since the Japanese occupation, we read in the Shanghai *Evening Post* that "the vast empire of vice in Shanghai is growing bigger and bigger . . . . it extends from the bleak war-scarred northern and eastern districts to the more fertile and congested areas south of the malodorous creek . . . . and its women vassals number tens of thousands . . . . it's a million-dollar industry . . . there are more shady establishments, more women who follow the oldest profession and more vice-rings than there have been at any other time in the last decade. . . ."

As a matter of fact the correspondent's memory was short because it has been practically a quarter-of-a-century since gambling and prostitution flourished in Shanghai as it does today. While the situation, so far as prostitution and the use of narcotics in the Settlements is concerned, has become worse since the Japanese occupation, the worst conditions prevail in the new vice-center which has grown up, mushroom like, in the so-called Western District, an area of about two square miles which embraces several Chinese villages, one large missionary university and several streets of first-class residences. Since the International Settlement only controls the roads and not the surrounding territory, the racketeers, including large numbers of Chinese as well as Japanese, have taken advantage of the situation to flock into this district with their illegal and immoral enterprises. It is said that the profits, consisting of "special taxes," are split two ways between the Special Service Section of the Japanese Army and the local puppet government.

DID DOMEI FALSIFY STATEMENT OF JAPAN'S WAR CASUALTIES?

What may have been a technical slip by the Japanese *Domei* news agency, or a deliberate distortion, occurred Jan. 22 in the reporting of Japanese war casualties in China as given in a Diet speech by War Minister Lieut.-Gen. Itagaki. By the Shanghai office of *Domei*, the war minister was credited with having said that Japanese officers and men killed in China during 1938 numbered 51,000. This figure was published in the Shanghai morning newspapers on Jan. 23, and in the *China Weekly Review* for Jan. 28.

In the *South China Morning Post* for Jan. 24, a *Reuter* dispatch from Tokyo attributed to the War Minister the statement that Japan had lost 510,000 killed—not in 1938, but throughout the period of the undeclared Sino-Japanese war, which commenced in July, 1937.

The *Reuter* version obviously is much closer to the truth, and the question arises whether *Domei* in Shanghai did not falsify the figure given by the War Minister in the Diet. At all events, the agency sent out no correction on the story and has not done so up to the present time.

SOME GERMAN VIEWS ON JAPAN'S PRESENT WAR PROBLEMS

"The Chinese Government's refusal to discuss peace terms with Japan, was the chief cause of the downfall of the Konoye Government in Tokyo and this development has brought about a new phase in the war situation."

With this introduction the well known *Frankfurter Zeitung* discussed various phases of the prevailing war situation and the future. The discussion was based on reports from the paper's correspondent in Japan. Military action will now give way to permanent occupation and an attempt to exploit economically the occupied territory. This involves an attempt to eliminate guerillas and effort to break down China's resistance and compel her recognition of Japanese domination. Doubt was expressed whether there would be any further attempts at any advance inland and some Japanese military leaders even doubted the necessity of linking up Canton and Hankow. Continued occupation of important towns and strategic centers was regarded as sufficient to ultimately bring China to terms.

Finally the view was expressed that Japan's limited economic and financial reserves would shortly make it necessary for the country to enforce total mobilization of the nation's military and economic strength.

Further interesting views were expressed by Major-General Thomas, head of the economic section of the Nazi War Ministry. Basing his statements on Japan's experiences, he said it would be necessary to throw overboard all ideas of a "lightning war," something which Japan had come to realize. He also said that Japan had been greatly hampered by the lack of a uniform economic defense organization; that the economic basis of the state was often just as determinative as is the military equipment. Referring to finances, Gen. Thomas said that Japan's predicament showed how enormously important were the possession of gold and foreign exchange reserves for payment of imports that could not be met by exports of native goods. He said that Japan's example had shown that internal war finance had become difficult because of the country's weak fiscal capacity and capital reserves at the time of the outbreak of the war. While domestic finance was relatively less important than external finance, it was necessary to watch internal finance closely because restrictions on the civilian population in favor of war needs was likely to create intolerable conditions. Pointing again at Japan's complications, he said that foreign trade should be so organized that economic warfare would be weakened and effective counter measures could be devised.

While not intended as such, it is interesting to note that the Nazi leaders, in developing and strengthening their own war machine, should be pointing to the weak spots in the creaking war engine of their "anti-comintern" partner.

Sunken Vessels Will Give Japan Scrap Iron

Japan need not fear a shortage of scrap iron, at least for the time being, as she has in her nearby waters more than 1,000,000 tons of the metal in the form of sunken vessels, the *Asahi Shimbun*, Tokyo daily, asserted last week.

One look at a chart prepared by the Hydrographical Section of the Navy Office should be enough to convince the people that Japan's coast line is literally "blockaded" with sunken vessels of various sizes which can be salvaged, the daily said.

Japan has more than 1,000 sunken vessels at various points along her coast, including 274 sunken vessels in the Inland Sea, the iron of which alone is roughly estimated at more than 1,000,000 tons in weight. This iron is redeemable if salvage work is started vigorously, tthe *Asahi* stated.

The paper listed scrap iron obtainable from sunken vessels at various points as follows: In the Inland Sea, between Shikoku and Honshu 211,000 tons; in the Soya Straits, 156,000 tons; in the Tsugaru Straits, 116,000 tons; along the west cost of Korea, 104,000 tons; along the west coast of Kyushu, 84,000 tons; in Tokyo Bay, 74,000 tons and along the east coast of the Hokkaido, 37,000 tons.

Japan Speculates Upon Nature and Extent of Anglo-American-French Pressure

BY KIYOSHI KIYOSAWA

(From Tokyo Chuo Koron for February)

IT is an undeniable fact that in close concert with each other, the Governments of Great Britain, the United States, and France have of late come to take positive actions against Japan regarding her policy for disposal of the China Incident, even though opinions may differ as to the limit of such actions and the effect to be produced by them. This has been openly admitted even by the British and the United States Governments themselves. For instance, the Washington Government granted some time ago a credit for U.S.$25,000,000 to the Chiang Kai-shek regime, against the provisions of the Neutrality Act which prohibit the American citizens to extend credits to any belligerent nations unless with special permission of the President. It stands to reason, therefore, that in giving the presidential permission to the American loan to the Chiang regime on the basis of the recognition of absence of belligerent relations between Japan and China, the United States Government executed in part its systematic policy against Japan, which should not be viewed in the light of business transactions.

It is easy to see that pressure enforced by these Powers on Japan will assume the two forms—direct pressure and indirect pressure through assistance extended to the Chiang Kai-shek regime. But these two forms of pressure may be further classified into the two kinds of pressure, armed and economic.

In applying these different forms and kinds of pressure on this country, these Powers are not always in accord with each other. Of Great Britain, the United States, France, and Soviet Russia which are actually putting pressure on Japan, Soviet Russia assumes an independent attitude toward this country from the remaining three Powers, while France is known as making a point of taking the cue from Great Britain in matters relating to the Far East just as in the case of European affairs. The chief question, therefore, is to make clear to what extent the concerted action of the three Powers will be possible in enforcing pressure against this country.

It is true that both Great Britain and the United States take the same stand in persisting the principles of the open door and equal opportunity in China, but in the manner of translating their policies into practice they are often at divergence. On the occasion of the Manchurian Incident, Henry Stimson, then American Secretary of State, urged the British Government to take concerted action against Japan, but Sir John Simon, then Foreign Secretary of Britain, would not be persuaded. In the early stage of the present Sino-Japanese conflict, Mr. Anthony Eden acting as Foreign Secretary of the British Government played an active part in inducing the United States to join it in exerting pressure upon Japan, though the attempt proved abortive on account of the lukewarm attitude of the American Government. Only recently, however, the two countries have come to find themselves fit to act in concert through urging respect for the principle of the open door in China, although at the present moment the United States assumes a more positive attitude than Great Britain toward this problem.

The general feelings in these two countries against Japan are considerably tense at the present, but this should not be taken immediately as indicative of the possibility of armed pressure by them against Japan. Despite the fact that negative pressure in the shape of the expansion of armaments is now being applied by the two countries on Japan, it is inconceivable that they will take in the near future such a positive measure as armed intervention in Japan's China policy.

The five-year British rearmament program, which was started in 1937 with an estimated cost of 1,500,000,000 pounds, has now entered the third year with 1,100,000,000 pounds appropriated for the remaining years. The air force which is reported to be replenished this year with an estimate of 200,000,000 pounds, 45 ships with 355,000 tons, whose addition to the British Navy is, according to Hector Bywater, to be realized this year, and the reinforcement of Singapore as a naval base, together with the construction of two 40,000-ton capital ships—these on completion will form direct pressure on this country. On the other hand, with a view to perfecting the Pacific defense, the British Government is planning, in addition to the naval and air bases now under construction on the eastern shores of Ceylon, self-supporting aircraft industry in Australia. These suggest that within the present fiscal year Great Britain will spend some 5 hundred million pounds on her armament program.

In the positive character of its naval policy, however, the United States far surpasses Great Britain. In President Roosevelt's message to Congress on January 5, mention was made of the national defense estimates for the coming fiscal year as amounting to $1,610,000,000. Moreover, the United States Navy authorities have submitted a recommendation to Congress, urging the necessity of establishing naval bases in Alaska and the Aleutian Islands, strengthening those of Pearl Harbor, Midway Islands, Guam, etc., and constructing bases for submarines at key points in the Pacific. Under the circumstances, most of these proposals will be approved by Congress for realization.

It is undeniable that expansion of the armaments by Great Britain and the United States in the Pacific area is destined to increase pressure against Japan; nor is it difficult to see that both countries are acting in close connection on a common understanding.

The projected armament expansion undoubtedly is pressure on Japan, but it is something still looming in the distance. It is reasonable, therefore, to conclude that their pressure on Japan will chiefly assume the two remaining forms—assistance to the Chiang regime and economic sanctions on Japan.

As a means of assisting the Chiang regime, the House of Commons passed at the end of last year a bill amplifying the foreign export credit guarantee fund from 50 million pounds to 75 million pounds. A still more positive policy in favor of the Chiang regime may be discerned from the reported British intention to extend the route connecting Yunnan with Burma down to Singapore, which will enable them to cope with the commercial advancement of Japan. Another plan ascribed to the British Government is to make a loan to the Chiang regime for foreign exchange stabilization for the purpose of maintaining the value of the yuan. This is certainly a subtle idea of the British Government aiming at once at assistance to the Chiang regime and preservation of the British rights and interests in China.

It is a strange coincidence that the United States is following the steps of Great Britain in extending aid to the Chiang administration. The United States has extended a credit of U.S. 25 million dollars to the regime under General Chiang, with a view of exporting her agricultural products, motor-trucks, gasoline, etc. to China and importing therefrom tung oil. There is, however, ample reason to believe that a large part of this American capital is appropriated, on Anglo-American understanding, to the development of the said Yunnan-

Burma route. On the other hand, the United States Government has granted credits to the Central Bank of China for foreign exchange stabilization.

Besides those mentioned above, assistance will be given by them in a more direct manner to the Chiang regime through supply of war materials, which is likely to increase in the future.

A very important pressure that may be enforced by them on Japan is economic sanctions on her import and export trade. Although some two-thirds of the materials necessary for this country is supplied by these two countries, it is practically impossible for them to restrict their own exports of wool, cotton, etc. Even if Great Britain should decide on a discriminative treatment of Japanese trade, it is very doubtful whether Australia and other British Dominions will act in concert with their mother country. In the present situation, however, it is true that restriction in some form or other is imposed on Japanese exports to these two countries. For instance, since last July the United States has stopped exporting aircrafts and munitions to Japan, except in the shape of parts. A question which will soon come to the fore is the proposed revision of the Neutrality Act in the United States. In case as a result of the revision, gasoline should be included in the list of munitions, it will produce a serious effect on Japan. But it is most unlikely that such firm attitude will be assumed by the United States. Even under these unfavorable circumstances, it would by no means be difficult for Japan to buy the necessary goods in a roundabout way through Germany, Italy, Mexico and other countries.

As for the Japanese export trade, it is frequently reported that Great Britain is attempting at a discriminative treatment of Japanese goods through her overseas territories and colonies, while the United States is contemplating the abrogation of the Japan-American trade treaty with the view of checking the inflow of Japanese goods. No one can say that these countries, which are keenly alive to the necessity of protecting their own national industries, should not resort to this drastic measure under the pretext of the Sino-Japanese conflict. But what demands attention is that the United States and Japan are closely related to each other with a trade tie. The former offers a good market for Japanese goods, but the trade balance has been in her favor for the past six years. Compared with Japan, China does not count very much for the United States, whose investments in China amounts only to U.S. 500 million dollars and whose Chinese trade represents only 3 per cent of her total trade.

To conclude this brief survey, it may be pointed out that pressure so far brought by Britain and the United States on this country has not yet taken any actual effect, even though its existence cannot be denied. How, then, it will develop is a question yet to be answered, but among many factors which will determine its future development, the following must be first taken into account:

(1) In proportion to the consolidation of the Rome-Berlin-Japan axis, the triangular partnership of Great Britain, the United States and France will be reinforced. The proposed visit of the British King and Queen to the United States in the coming summer will contribute a great deal toward their friendly relationship;

(2) Great Britain and the United States, especially the former, are not desirous of making the present international balance of power develop into an ideological antagonism. They will not long stick to vain ideals and principles such as the open door, etc., when the pending issues have been brought to settlement. Anything vain is not desired by British diplomacy;

(3) In the United States the right of diplomacy lies partly in the hands of the President and partly in those of the Senate, while the Secretary of State is a mere executive of the President. In reality the American diplomacy works on the basis of public opinion which is intangible. On account of American public opinion which adheres to ideals and principles, dealings with the United States are made difficult, while in this regard Great Britain is comparatively easy to handle;

(4) Pressure applied at present by Great Britain, the United States and France on Japan is not serious in nature, though its development either for better or worse depends on the attitude to be hereafter assumed by Japan, whose position in the Far East is absolute and dominating.

Japanese Armed Colonist Becomes "Phantom" Killer

Yoshiichi Kanda, 22-years old, who was sent to the Japanese "armed-colonist" camp at Chiamussu, Manchuria as a settler, was arrested in Japan on Feb. 2, following a search which was participated in by more than 200 policemen and 1,000 members of the Young Men's Associations and also the fire brigades in several cities. Young Kanda was wanted for the murder of four persons, including two women, and numerous robberies. Following his desertion of the immigrant camp at Chiamussu, which is located about midway between Harbin and the mouth of the Sungari River, Kanda went to Japan with the Browning revolver which had been supplied to him by the Kwantung Army. After two days in Tokyo he fled to the Nagoya district. When cornered he tried to commit suicide by biting his tongue.

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Two Important Events in American Foreign Policy

(North American Newspaper Alliance Correspondence in the Kansas City Star)

Washington,—Two events of almost incalculable significance in American foreign policy have occurred. The first was Secretary Morgenthau's mild disclosure of a plan to use government funds to finance South American trade. The second was the arrangement of what amounts to a handsome treasury credit to the beleaguered Chinese.

True, the cautious Morgenthau merely said that the South American trade scheme was being "studied." True, also, the highly involved form of the Chinese credit all but obscures the vital fact that it will bring desperately needed supplies to the tattered armies of Chiang Kai-shek.

But, however complex the method, supplying the Chinese patriots is an assault on the invading Japanese. And, however polite its presentation, the South American trade scheme is intended to elbow the Germans out of our hemisphere. Taken together, in fact, the two events have a massively important meaning. The President has decided to fight the authoritarian states on their own terms. Unless Congress or public opinion reverses his decision, bloodless but open warfare has now begun.

The Credit Weapon

The blindest eye can see that credit is the one weapon possessed by the United States but not by the authoritarian nations. The billions of gold in the federal treasury, America's unlimited command of foreign exchange, have more potential value than Hitler's air force.

Hitherto, following a traditionally passive foreign policy, this country has refused to use its credit weapon. Now, the weapon has been daringly grasped by the President. If the Chinese credit and the South American trade scheme mean anything, they mean that American wealth is to be used to help existing friends and to make new ones abroad. In the current struggle between the democracies and dictatorships, that is a fundamentally aggressive act.

Furthermore, it can be stated on the most positive authority that the aggressive nature of the Chinese credit and South American trade scheme was fully recognized in discussions at the White House, the state department and the treasury. Indeed, the probable reactions of Japan and Germany were pondered at length. And it was finally decided that, in the post-Munich world, passivity is a luxury which the United States cannot afford.

Thus far, the departure from traditional policy is not great. If it provokes a congressional uproar, the Chinese credit can be explained away, the South American scheme quietly jettisoned. But the deeply serious fact remains that the departure has been made. It has been made purposely, after weighing every pro and con, and, unless the domestic reaction is too violent, it presages a new American course in foreign affairs.

Germans Get Control of Czech Skoda Works

The great Czechoslovakian Skoda Works, manufacturers of arms, electrical equipment, steel products, railway locomotives and automobiles, practically has passed to the control of the German-dominated Czech Government, according to recent reports from Europe and the United States. The subject is of special interest in the Far East because of the profitable business which Skoda Works previously had in China, in the supply of arms and industrial materials. The large power plant and waterworks belonging to the Municipality of Greater Shanghai, located on the banks of the Whangpoo, which the Japanese Navy shot up and destroyed early in the war, was purchased from Skoda. Skoda also supplied China with thousands of modern-type repeating rifles and other equipment which were used to good effect against the Japanese at the beginning of the war on the Shanghai front.

Previously Skoda Works was largely dominated by French and British interests, the chief selling agent being Union Europeenne Industrielle-et Financiere, holding company for the foreign interests of the French Schneider-Creusot armament firm, in which the British Vickers also had an interest. Immediately after the "Munich peace" the Prague Credit Bank, owned by the Czech Government, bought out the French interest, using a portion of the £2,000,000 loan which Britain advanced to Czechoslovakia for "reconstruction" following the partition.

According to *Newsweek* (Jan. 9) the actual control of Skoda will be held by a consortium composed of the "big four" of German heavy industry—the Krupp armament works, Hermann Goering Iron Works, Otto Wolff steel interests and the Rhinemetal-Bursig concern. Skoda consists of nine factories noted for their production of cannon, machine-guns, war materials. They are also leading producers of automobiles, locomotives and heavy machinery. German control means a 50 percent increase in Nazi armaments and metallurgical industry, according to the report.

Of further Far Eastern interest was another recent report that the Japanese Kwantung Army had granted to Otto Wolff practically a monopoly of the supply of arms and machinery for armament works in Manchukuo, same to be paid by Manchurian raw products, chiefly soya-bean oil.

"Japan Has Just Begun to Spend Money"

(*Saturday Evening Post, Jan.* 28)

China appears to have been conquered physically, though fighting continues, and will continue, and we have, in effect, lent her U. S. $25,000,000 through the Export-Import Bank. The cost of conquering China and keeping China conquered, however, begins to stagger Japan. The fall of Hankow was decisive in a military sense, yet it was followed by a warning from Governor Yuki, of the Bank of Japan, that Japan had just begun to spend. "The present incident," he said, "has entered a new stage of long-range constructive undertaking. Enormous expenses will be required to meet new developments."

This is euphemism for the fact that Japan is paying for its great gamble on a scale it did not remotely contemplate. Japan's war bill for 1939 hardly can be less than 5,000,000,000 yen (late reports of Tokyo Diet discussions indicate Yen 6,000,000,000—*Ed.*) which, at the current rate of exchange, means about U. S. $4,000,000 a day.

But the cost cannot be measured in yen or dollars; it goes far deeper into the national economy. True, the Japanese, like ourselves, are onto all the fancy financial tricks. They, too, have revalued their gold. They have stuffed their banks and insurance companies full of government bonds, as we have done. And they have a trick of their own, not in our bag, in the possibility of eventually cashing in magnificently on China.

A noted Japanese economist has estimated that on the basis of the sums spent by six European nations in the World War, Japan could support a military expense of 12,000,000,000 yen yearly for not fewer than four years. Perhaps so; a people never can tell what they can do until compelled, but consider the strain on the machine which must produce that revenue.

Japan's official spokesmen say they have not yet begun to tap the country's capacity to pay higher taxes to support the mounting national debt. But they admit that such a boost in taxes would not only render still worse the already serious rise in the cost of living but would "inevitably increase the prices of Japan's exported articles." What good is a potential taxing capacity if you dare not use it?

Japan is dependent to a peculiar degree upon its exports and these have fallen off sharply since hostilities began. Extraordinary measures are being taken to stimulate exports and depress the volume of imports, so that absolutely essential raw materials, military and otherwise, can be paid for. For example, it is proposed that immediate imports of raw cotton for domestic consumption be cut in half, that wool be cut even more, that wood pulp, tobacco and automobiles be slashed to the bone.

But this means a marked scarcity of raw material for the civilian population, and already a frantic search for substitutes, reminiscent of Germany during the World War, has begun. Substitutes must be found not only for imported cotton and wool but for chemicals, casein, glue, hemp, jute, flax, resins, rubber, oils, fertilizers, hides and leather.

And turn and squirm as Japan may, the fact remains that in order to import essential war materials, she is forced to pour out her gold; there seems no other way to build up the necessary exchange.

Nearly 900,000,000 gold yen—the present value being twenty-seven cents—came to the United States alone from August, 1937, to July, 1938; the careful *London Statist* asserts Japan lost from 50 to 60 per cent of her gold reserve during the first year of the war.

Yakichiro Suma, counsellor of the Japanese Embassy at Washington, proudly says that the Japanese nation "has reserves of power sufficient to meet any conceivable emergency." In the great "China incident," she will need them all, but the stakes are huge. Here is a gamble greater than Hitler's dicing with Germany's fate. If both win—

China Would Repay Loans Even If Defeated in War, Says Jesse Jones

Jesse Jones, Chairman of the U. S. Reconstruction Finance Corporation, and one of the outstanding officials of the U. S. Government, believes that China's credit is good and that China will repay the U. S. $25,000,000—even if she is defeated in the present war. Mr. Jones made the statement before the Banking and Currency Committee of the House of Representatives on Feb. 9. He was testifying regarding the continuance of the Commodity Credit Corporation and the Export-Import Bank. The loan to China was advanced through the bank.

Referring to the loan terms, Mr. Jones expressed the belief that the money would not be used for the export of American war materials to China. This was part of the agreement, he said. Continuing, he declared (*United Press in North-China Daily News*), "I think China will always pay her debts. I believe in the integrity of the Chinese people. All money loaned to the Chinese Government has always been repaid when due . . . . I know of no better record for repayment . . . . We have a very good opinion of the Chinese."

According to Mr. Jones' testimony the U. S. is not contemplating further loans to China "immediately." The previous loan had been guaranteed by the Bank of China, which is partly owned by the Chinese Government. "We are not contemplating any further loans to China because we can't do so under existing laws," he said. The Banking and Currency Committee has tentatively decided to extend the life of the Export-Import Bank beyond June 30 when it was scheduled to expire under existing legislation. The Bank is now planning an extensive program of trade cooperation in South America.

Chengtu Americans Ask Ban on War Materials

A group of American residents in Chengtu, capital of Szechwan province, has sent a petition to President Roosevelt urging that an embargo be imposed immediately on the shipment of gasoline, scrap iron and other war materials to Japan. The petition has also been sent to Secretary of State Cordell Hull and Senator Key Pittman, chairman of the Senate Foreign Relations Committee.

During the recent Japanese air raid on Wanhsien, Yangtsze River port, the petition states, according to *Kuo Min*, 1,100 civilians, including women and children, were killed by Japanese bombs and machine-gun bullets. In the name of humanity and justice, the American government is urged to place an embargo at once on the transportation of war materials to Japan.

'Greater Shanghai' Plans Announced from Tokyo

An ambitious civic development scheme to build a "greater Shanghai" along the left bank of the Whangpoo River adjoining the International Settlement was announced in Tokyo last week by representatives of the Shanghai Real Estate Company, a Sino-Japanese concern.

A party of more than 40 expert civil engineers engaged by the company will sail from Nagasaki Feb. 20 to start work on a gigantic "face lifting" operation in the Japanese-occupied areas of Shanghai. Town planning charts have been prepared as a result of several surveys in Shanghai by Japanese experts.

The new and "greater Shanghai" will be divided into commercial, residential and industrial zones interspersed with parks. Harbor developments also are to be undertaken. Reconstruction work will be started at the site of the former municipality headquarters.

National Defence Council Gets to Work

EMBARKING upon its onerous duties of directing China's war of resistance and national rehabilitation, the newly-created Supreme National Defence Council headed by Generalissimo Chiang Kai-shek commenced functioning this week.

Explaining the nature of the new organ, Sun Fo, president of the Legislative Yuan, declared that the Council was not a Generalissimo's Headquarters, but was jointly organized by the government, party and military authorities to exercise centralized control during the campaign of resistance.

Armed with almost dictatorial powers over all government activities, the Council is pursuing its task through a standing committee of eleven members, whose appointment has just been made public. They include three members of the standing committee of the Central Executive Committee, namely, Chen Kuo-fu, former chairman of Kiangsu Provincial Government; Yeh Chu-tsang, director of the Central Publicity Council; and Tsou Lu, President of National Sun Yat Sen University; Presidents of the Five Yuans under the National Government: Dr. H. H. Kung, president of Executive Yuan; Sun Fo, president of Legislative Yuan; Chu Cheng, president of Judicial Yuan; Tai Chi-tao president of Examination Yuan; Yu Yu-jen, president of Control Yuan;

In addition to the foregoing, the standing committee includes: Dr. Wang Chung-hui, minister of foreign affairs; Gen. Ho Ying-chin, minister of war and concurrently chief-of-staff; Gen. Pai Chung-hsi, deputy chief-of-staff.

Gen. Chang Chun, vice-president of Executive Yuan, it is understood, will be appointed secretary-general of the Council and as such will be entitled to attend the meetings of the standing committee.

Simultaneously with the creation of the Defence Council, training of new officers and men is being intensified. In order to enhance the efficiency of the war machinery, the Military Affairs Commission has organized a Military Officers' Training Regiment with Generals Chiang Kai-shek and Li Tsung-jen as commander and vice-commander, respectively.

Conscription Being Pushed

Meanwhile, military conscription in Szechwan and Hsikang is being expedited. Lt.-Gen. Ho Kuo-kwang, director of Chengtu office of the Generalissimo's headquarters, declared that one of the chief tasks of the office was to remove all obstacles in the way of military conscription in the two provinces, so as to strengthen China's resistance against the Japanese.

Amid his manifold duties, General Chiang Kai-shek is also giving serious attention to the education of the country. In order to discuss the fundamental problems of higher education in time of war, Gen. Chiang was summoning an important educational meeting at Chungking this week. Presidents of all universities and colleges had been invited to attend the meeting.

Pursuant to a decision of the 5th Plenary Session of the Kuomintang, the government is said to have decided to restore the provincial governments of the four northeastern provinces, namely, Liaoning, Kirin, Heilungkiang and Jehol, now under Japanese occupation. According to Sun Fo, president of Legislative Yuan, the chairmen of the four provincial governments have already been selected and their appointment will be announced in the near future. It is understood that they include Generals Ma Chan-shan, Wan Fu-lin, Fang Yung and one other.

Concluding his visit in Chungking where he attended the 5th Plenary Session, Gen. Pai Chung-hsi, director of the Generalissimo's southwestern headquarters and deputy chief-of-staff, returned to Kweilin, capital of Kwangsi, last week. While in Kunming en route to Kweilin, Gen. Pai delivered a stirring address at the Yunnan Provincial Government House. After reviewing the results achieved by the Chinese forces in the past 18 months in resisting the Japanese invasion, Gen. Pai said that both politically, militarily, economically and diplomatically, the situation now was more favorable to the Chinese than to the Japanese. Gen. Pai assured his audience of the government's unwavering determination to resist the Japanese to the end.

According to a Japanese report, a "student corps" 18,000 strong is being trained in Kwangsi. Members of the corps are to be recruited from both colleges and high schools.

In order to meet the requirements of the war of resistance, it was decided at a recent conference of the high command in Kwangtung that the posts of special administrative commissioners and district magistrates in the province should be given only to military officers, who would also be empowered to command the local militia forces.

The name of Marshal Wu Pei-fu again made headlines this week. According to Japanese claims, Marshal Wu had already emerged from his retirement, but official opening of the Kaifeng Pacification Headquarters, of which the Japanese made him head, was conspicuous for his absence. Marshal Wu is still in Peiping, in seclusion.

Wu Spars With Doihara

Chinese reports from Peiping gave an interesting story of a verbal duel between Marshal Wu and Lt.-Gen. Doihara. According to these reports, despite Gen. Doihara's persuasions and intimidations, Marshal Wu remained firm in his determination not to accept the Japanese request to lead a so-called "National Salvation and Peace Movement."

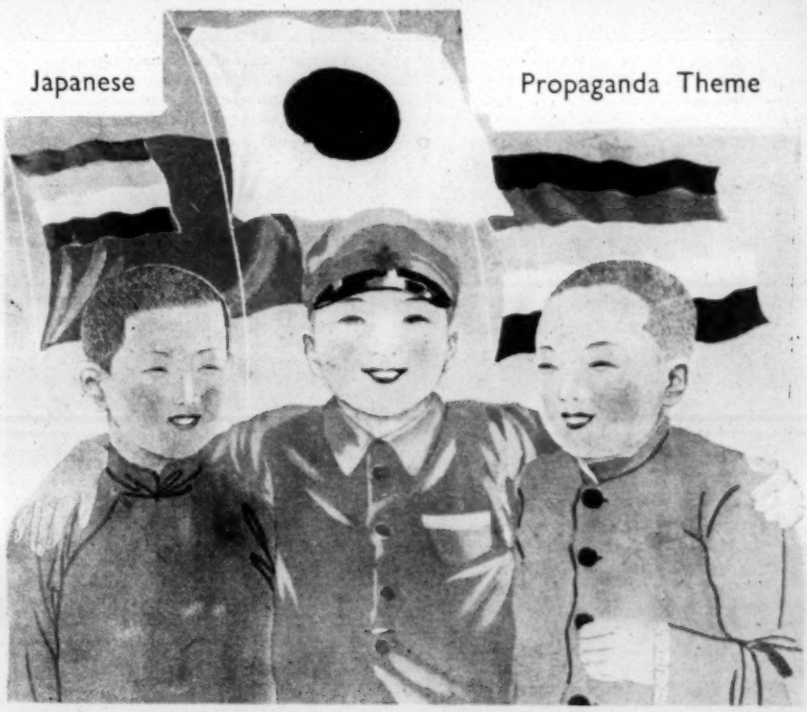
Gen. Doihara was said to have interviewed the aged Chinese soldier no less than three times. During the first interview, Doihara asked Wu to emerge from his retirement and save Japan. Replying, Wu was quoted as saying: "As we cannot save ourselves, how can we save others. It is not a question of who can save the other, but a question of how can we be saved."

In his second interview, Doihara requested Wu to mediate. "I would be willing to do so," answered Wu, "if the Japanese Emperor and Generalissimo Chiang Kai-shek formally make me such a request."

The third interview ended abruptly in sharp tones on the part of both. Doihara was said to have bluntly asked Wu to "take up an important post in order to solve the Sino-Japanese racial problems." Wu's reply was: "It is out of the question to talk of my participation in public service. If I am to emerge from retirement, all Japanese troops must be withdrawn from Chinese territory, including the Northwesat provinces."

Writing from Peiping on Jan. 29, the correspondent of the *North-China Daily News* stated that one had heard so often of the story of Marshal Wu's emerging from his retirement that it was impossible not to be skeptical about it, knowing that the wish had so often been the father to the Japanese thought. Despite Japanese claims to the contrary, circles close to Marshal Wu stoutly denied that he had agreed to anything. It was said that Liang Hung-chi and Wang Keh-min, heads of the Nanking and Peiping regimes, under the strongest pressure from the Japanese military, called on Marshal Wu some time ago and urged him to assume the leadership of a new government in North China. Marshal Wu, however, definitely declined all proposals.

A personal representative of Marshal Wu has arrived at Chungking from Peiping,



This synthetic representation of a non-existent brotherly spirit between Japan, Manchukuo and China is reproduced from the cover of a special supplement of the Osaka Mainichi dealing with the "New Order" in East Asia.

according to a *Kuo Min* report. He reported to the central authorities on the real attitude of Marshal Wu towards the Japanese offer of a puppet post, which the latter had steadfastly declined to accept.

Domei claimed that "many warlords" in the Kuomintang camp had manifested their intention to rally under the banner of Marshal Wu in a military peace movement. Among these "warlords" were mentioned Lt. Gen. Tsao Ching-yu, Maj.-Gen. Kao Wen-pin and Col. I Yu-chuan.

Kita, Doihara Clash

As an aftermath of the Wu Pei-fu affair, a growing conflict was said to have developed between Maj.-Gen. S. Kita and Lt.-Gen. Doihara. A report from Hongkong stated that Gen. Kita, chief of Japan's Special Service Section in North China, was strongly opposed to the plan advocated by Gen. Doihara to organize a so-called "Pacification Commission" with Marshal Wu as Commissioner. Gen. Kita is known to have been a strong supporter of Wang Keh-min.

Extending his activities to Shanghai, Wang Ching-wei, expelled Kuomintang leader, now in hiding at Hanoi, was alleged to be negotiating for the purchase of a certain Chinese newspaper in Shanghai through his resident agent, Kao Chung-wu, according to the *Chung Mei Jih Pao*. If Kao could put the deal through, Wang would use the paper as his organ of publicity in Shanghai.

Peiping has a new postal commissioner in the person of Wu Tao. Wu was appointed because of the absence of the incumbent commissioner, an Italian, who was recently kidnapped. It is understood that the Italian is still under detention on the Western Hills, near Peiping.

The "Reformed Institute," located on the seized premises of Fuh Tan University in Shanghai, will graduate its first class on March 15, totaling 102 strong, according to a Japanese report. Prior to their graduation, the group will be given a free study tour of Japan, sailing on Feb. 20. After their return, they will be assigned to various organizations in the Japanese-occupied areas in Chekiang and Kiangsu.

Dr. Sun Yat-sen's "Three Peoples' Principles" do not agree with the Japanese ideas of a New Order in East Asia and therefore must be corrected. This was what Premier Hiranuma told the House of Representatives in Tokyo while answering intepellations. According to Baron Hiranuma, the Three People's Principles are a doctrine peculiar to China. He said that communism found a place in the doctrine, which must be corrected if the New Order in East Asia was to be achieved.

A bill providing for the abolition of extraterritorial rights in Manchukuo was passed by the Japanese House of Peers, according to a *Domei* report. The significant feature of the measure is that it might be a prelude to the abolition of similar rights enjoyed by nationals of other Powers in Manchuria.

Opposition in Japan

The anti-war movement is gaining momentum in Japan, as a large number of staff members of the War Office are said to be participating in it, according to a report in the *Wen Hui Pao*. Certain important documents of the War Office are alleged to have been smuggled out by a staff member and given to the leader of the Japanese Anti-War Association, who in turn sold them to a certain country.

The documents allegedly contained detailed accounts of Japanese armaments and military strength and comprehensive plans for future war with Soviet Russia. In view of the seriousness of the matter, Lt.-Gen. S. Itagaki, the war minister, has ordered a thorough investigation. As a result, the official responsible for the disclosure of the military secrets, and a movie actress involved, are said to have been severely punished, and the leader of the anti-war organ has fled to America.

General Chiang Kai-shek, who is leading China's war of resistance against the Japanese invasion, was described as a "naughty boy" by Manzo Shimazaki, 70-year Japanese educator, who claimed to be General Chiang's teacher back in 1913. Mr. Shimazkai asserted that he also taught Wang Ching-wei. He said that when he heard of Wang's withdrawal from the Kuomintang, he could vividly recall his characteristic cleverness. Mr. Shimazaki announced that he would tour China in April on a self-appointed "diplomatic mission."

Study of the Chinese language shall be compulsory in Japanese secondary schools, according to an order issued by Education Minister Gen. Araki. The purpose of the order, it is explained, is to heighten interest among the younger generation in matters connected with Japan's continental expansion.

Shaku-in Boku, Korean, director of Research Section of the Manchukuo's Foreign Affairs Bureau, was named Manchukuoan first Counsul-General in Warsaw, *Domei* reported from Changchun.

Conversion of Mahatma Gandhi, India's sage, to the pro-Japan cause is the ambition of a 28-year old Japanese Buddhist priestess, Miss Gyoshin Sankurai, who is leaving shortly for India from Shanghai. According to the Rev. Gyosho Amasaki, who visited India last year, Mahatma Gandhi and other Indian leaders are entertaining a biased view of the China conflict and "the British authorities in India do not want the people of India to associate with the Japanese." Therefore, the Japanese priesthood decided to send Miss Sankurai to India to "convert" Mr. Gandhi and his followers.

The Indian masses, as well as the representatives to the International Missionary Conference held at Madras, India, last December, were most friendly and sympathetic to China's cause of anti-aggression, according to Miss Wu Yi-fang, leader of the Chinese delegation to the conference and president of Ginling College. Miss Wu, who returned to Chungking recently, said that the conference adopted a resolution, expressing sympathy for people under oppression from foreign aggression and political discrimination.

Another U. S. Loan

A Chungking message stated that the second American credit loan to China amounting to U.S.$15,000,000 was expected to be concluded in the near future. Negotiations for the British loan of £3,000,000 to China were proceeding satisfactorily and the agreement would be signed soon.

Dr. Hsieh Wei-lin, new Chinese minister to Norway, who is concurrently minister to Sweden, presented his credentials to King Haakon last week.

Writing under the heading of "New China Is Growing," *Pravda*, leading Moscow daily, stated that China had entered the second stage of her war of national liberation against the foreign usurpers. The last attempt of the Japanese to enflank and destroy the main forces of the Chinese army on the Wuhan front had completely failed, the paper said. Now, unity between the army and the people was becoming more consolidated and the bsais of the collaboration between the Kuomintang and the Communist Party, firmer than before. According to *Pravda*, the expulsion of Wang Ching-wei from the Kuomintang represented a very significant event, testifying to the fact that the Kuomintang, having firmly decided to get rid of its reactionary elements, now entered a new stage of the war of liberation.

The 3rd plenary meeting of the People's Political Council opened at Chungking on Monday of this week.

London Paper Predicts 'Liquidation' of Litvinov

The question whether M. Maxim Litvinov will soon be compelled to resign his post as Soviet Commissar of Foreign Affairs was raised by the London *Daily Telegraph* which asserted this week that Litvinov will at the latest be forced to give up his post as Foreign Commissar in March.

Rumors concerning Litvinov's resignation have been previously in circulation but the paper, reflecting the opinion of British political circles, states that Litvinov's resignation is regarded as certain this time following his complete failure to turn the League of Nations into an anti-Fascist front. It is assumed that the first step towards his liquidation will become evident when his name fails to appear on the list of candidates for the Communist Central Committee which is due for submittal to the Party Congress commencing on March 10.

It is believed in British political circles that the reason for Litvinov's disappearance will be veiled by an excuse of "advanced age." As likely successor, Bulganin, present president of the Soviet Federal Republics, is mentioned by the *Daily Telegraph*, and it is pointed out that he is a true Russian and not a Polish Jew like Litvinov.

Lunghua Cement is Subject of Litigation by Germans

The Siemssen Company, a German firm, is reported by the *Shun Pao* to have filed suit against some 10 Chinese firms in Shanghai who are alleged to have purchased cement belonging to the Shanghai Portland Cement Factory at Lunghua. The complaint is alleged to state that the Shanghai Portland Cement Factory, a Chinese concern, was transferred to the German company after the outbreak of the Sino-Japanese hostilities, to meet unfulfilled loan obligations. The new German proprietors left the plant when Japanese troops took possession.

Recently, it appears, the factory recommenced operations under Japanese auspices and is now selling large quantities of cement to Chinese firms. The German owners published notices in the Chinese press warning that such transactions were not valid, the *Shun Pao* said, but the practice did not cease. The case was due to come up for hearing in the First Special District Court yesterday.

Yen to Be Linked With Pound Sterling

The Japanese yen will be linked to the pound sterling for the time being, as there is less fluctuation in the pound sterling, Finance Minister Sotaro Ishiwatari announced in the budgetary debate in the House of Representatives last week. While there is no absolute necessity for doing so, it is convenient at the present time, he replied to interpellators, although the question of linking the yen to the American dollar is being studied.

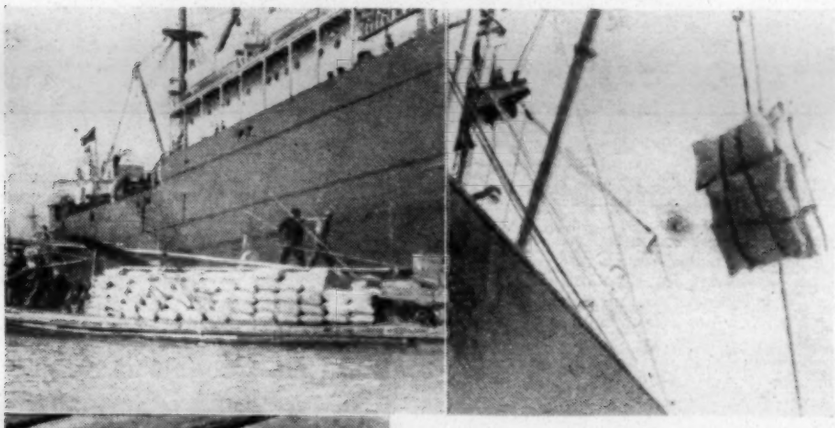
Ewo Mill Workers' Strike, 80 Arrested by S.M.P.

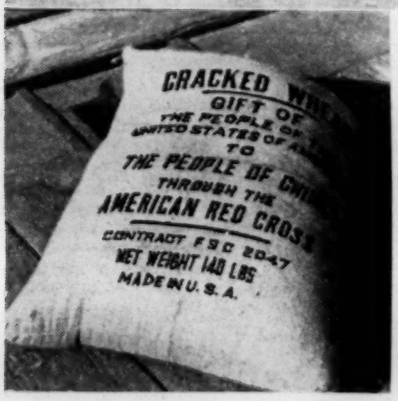
Workers of the Ewo Cotton Mill on Yangtszepoo Road went on strike Feb. 9, according to the *Shun Pao*. Over 80 workers were arrested by the Settlement police on a charge of preventing other workers from going to work. No details were available regarding the cause of the strike, the paper said.

U. S. Gift Wheat Allotments Shown

An interim statement showing the disposition of the consignment of crushed wheat shipped to Shanghai by the American Red Cross last month was issued Feb. 14 by the American Advisory Committee for Civilian Relief in China. Of the 16,013 bags sent by the freighter *Sawokla*, which arrived here Jan. 9, 4,283 bags were allotted between Jan. 17 and Feb. 14, the statement shows, leaving an unallotted balance of 11,730 bags.

Gift Wheat for China Arrives from U.S.A.





Pictures show the unloading at Shanghai of the first consignment of crushed wheat donated by the people of the United States for civilian relief in China and shipped here by the American Red Cross in the freighter "Sawokla," which arrived Jan. 9. In all, 24,000 bags of crushed wheat were donated, of which 16,013 arrived in the "Sawokla" together with quantities of condensed and powdered milk, baby food, medical and surgical supplies.

The individual allotments were as follows:

	Bags
Mission Du Kiangnan, Shanghai	100
Stephenson Memorial Hospital, Changchow	30
Shanghai Anti-Tuberculosis Hospital	10
American Hospital for Refugees, Shanghai	7
University Hospital, Nanking	12
Wuhu International Relief Committee	10
Suchowfu Hospitals	68
Goldsby King Memorial Hospital, Chinkiang	5
Soochow Christian Relief Committee	1003
Southern Presbyterian Mission, Kashing	50
International Relief Committee of Kulangsu	50
International Red Cross, Hangchow	100
Hospice Saint Joseph, Shanghai	200
Emergency Camp No. 12	3
Shanghai Mercy Hospital, Shanghai	20
Chinkiang Relief Committee	1000
Nantao Area Supervisory Committee	650
National Leprosarium of Shanghai	8
Shanghai General Hospital	2
Shanghai Refugee Maternity Center	21
Red Cross Hospital No. 1	30
St. Elizabeth Hospital, Shanghai	30
Russian Orthodox Confraterinity's Hospital	5
Shanghai International Relief Committee Refugee Hospital	90
Nantao No. 1 Hospital	10
St. Marie Hospital No. 1	20
St. Marie Hospital No. 2	10
Emergency Sanitorium for T. B. Refugees	4
Little Sisters of the Poor, Home for the Aged, Nantao	30
Southern Presbyterian Mission, Kashing	450
The China Christian Advocates, Shanghai	20
S.R.R.A. No. 1 Refugees Hospital, Shanghai	5
International Relief Committee, Huchow, Chekiang	200
Good Will Industries, Shanghai	20
St. Luke's Hospital No. 1, Shanghai	10

5-Year Plan For Shansi Woollen Industry Mapped

A five-year plan for the development of the woollen industry of Shansi province has been mapped out by the Provisional Government, according to a Chinese dispatch. Under this plan the large grazing grounds outside the city of Taiyuan will be further enlarged while new pastures will be laid out in the northern and western districts of the province, together with research stations. Importation of best sheep breeds from abroad will be encouraged, according to the plan. It is estimated that there are at present about 4,000,000 sheep in Shansi Province.

Chungking to Issue Big Reconstruction Loan

The Chinese government is contemplating the issue of a Reconstruction Loan of $500 millions, the Kuo Min agency reported. The proceeds of the loan will be used exclusively for economic reconstruction and development of natural resources in the western provinces. Regulations governing the issue of the Loan are being drafted by the Ministry of Finance.

British Police Kill 54 in Burma, India

Fourteen persons were killed and many wounded in Rangoon this week when British police, in dispersing a meeting attended by 10,000 people, fired into the crowd. This was according to a *Transocean* report from the Burma capital, where a mass movement against British rule, characterized by a big wave of strikes, has been under way for several weeks.

In a speech in the House of Representatives at Rangoon on Feb. 9, the governor of Burma, Sir Archibald Cochrane, blamed the press for inflaming public feeling and thus bringing death and injury to innocent persons. This danger, he said according to *Reuter*, "might prove so offensive as to compel the government to restrain the unbridled license of the press."

According to the same agency, 40 persons were killed, 400 injured and 600 arrested as a result of Hindu-Moslem riots at Cawnpore, in the Indian province of Allahabad, on Feb. 12 and 13. The military have been ordered to shoot rioters or anyone moving about without a permit after sunset, when curfew comes into force daily. They have also been ordered to break open the doors of houses if necessary and to arrest persons shouting communal slogans.

Transocean reported from London Feb. 8 that 500 inmates of the prison in Nagpur, had gone on a hunger strike in protest against bad food and alleged ill-treatment by British jailers.

Chinese Army Commander Surrenders to the Japanese

Refusing to co-operate with the Chinese Communists, because of his Catholic convictions, Gen. Li Wei-yeh, a divisional commander of the Chinese Nationalist forces, recently surrendered to the Japanese Army with 465 trusted men, according to a *Domei* dispatch from Suiyuan Feb. 9.

Gen. Li and his followers are said to have been incorporated into the Anti-Communist Vigilance Committee of the Federated Autonomous Government of Mongolia.

Before his surrender to the Japanese, Gen. Li executed eight of his staff officers who advocated co-operation with the Communists and weeded out all unreliable elements among the 3,000 men under his command. He then submitted to the Japanese, together with his trusted followers, *Domei* said.

Gen. Li was active against the Japanese forces under Gen. Ma Chan-shan and Gen. Fu Tso-yi, in charge of the defence of China's northwestern provinces.

New Interpretation said Needed for Customs Accord

Opinion favoring the adoption of a "new interpretation" of the Anglo-Japanese accord of May 3 last year concerning the administration of the Chinese Maritime Customs in Japanese-occupied territories has gained ground among Tokyo officials, *Domei* reported Feb. 13. This sentiment prevailed following the receipt of reports here that the agreement was "not working well."

Some circles contend that the failure of the British Government to secure Chinese assent to the execution of the obligations stipulated by the agreement had made the instrument "still born." Unexecuted terms include the payment of the Japanese share of the Boxer indemnity and the transfer to the Yokohama Specie Bank of funds deposited with the Hongkong and Shanghai Banking Corporation.

Soviet-Manchukuo Border Clashes Multiply as Fishing Crisis Nears

WITH the Soviet-Japanese dispute over fisheries nearing a showdown as the commencement of the fishing season—due to commence in April—approaches, incidents on the Soviet-Manchukuo border are continuing to pile up and to aggravate the already strained relations between the two countries.

During the three days up to Feb. 15, according to a *Domei* dispatch from Hsinking, Soviet and Manchukuo troops clashed twice on the western section of the frontier. The affrays both took place at Chilalin on the Argun River, the first on Sunday and the second on Tuesday of this week. Only border patrols were involved and casualties, if any, were not stated.

Another frontier fracas occurred Feb. 8, according to a *Hawas* message from Moscow, also along the Argun River. One Soviet frontier guard was killed and two

Good Reason to Pause

—Cargill in Columbia, Mo. Tribune

wounded, while Manchukuo suffered 15 men killed and wounded, the message said. A *Tass* dispatch from Moscow said this incident occurred Feb. 7 as an episode continued from the previous day. It took place on Soviet island No. 227, in the Argun River, established as Russian territory by the Tsitsihar Treaty of Nov. 25, 1911.

Outer Mongols Accused

According to a Feb. 11 *Domei* report from Tokyo, frequent cases of border violations by Outer Mongolian regulars have been occurring. On Jan. 16, six Outer Mongol soldiers crossed the border near Yunchou of the Sinfa banner and, after firing several shots at the herdsmen, carried away 1,500 sheep and two women. The following day two Outer Mongol soldiers crossed the border near Anugabal and kidnapped one woman together with 1,800 sheep. The latest case was reported on Feb. 2 when several Outer Mongol regulars crossed the border and kidnapped one Mongol and 50 sheep from Jaminhodok.

According to a Hongkong dispatch to the *Sin Wan Pao* on Feb. 11, the Soviet consulate-general in Hankow was surrounded and searched by Japanese gendarmes a few days previously. Soviet officials, including the *Tass* correspondent, were detained on the premises while the search proceeded, the report said, while a Chinese member of the consular staff was seriously injured. This report has caused some mystification in Shanghai, where it is understood that all Soviet officials in Hankow evacuated that city at or previous to its occupation by the Japanese army last October.

Instructions were dispatched by the Tokyo Foreign Office early this month to Mr. Shigenori Togo, Japanese Ambassador in Moscow, to protest against the allegedly illegal cancellation of a franchise granted the Japanese North Saghalien Coal Mining Company for the exploitation of the Agnevo coal mines.

The Japanese action followed publication of a report in the *Sovietski Sakhalin*, a newspaper appearing in Alexandrovsk, on Dec. 20, that the Soviet authorities had withdrawn the franchise and had begun operating the mine two years ago.

The franchise, Tokyo officials said, was granted the Sakai Gumi, a Japanese firm, in 1924 on the basis of the first Soviet-Japanese treaty by which Tokyo recognized the Bolshevik regime.

The Sakai Gumi sold its interest in the mines to the North Saghalien Coal Mining Company in 1937, when the latter firm was established. The Soviet authorities, claiming that this action had voided the franchise, announced the cancellation of the concession. The Japanese government immediately protested. The matter had since been held in abeyance, it was said.

Vital Rights Involved

Oil and coal-mining concessions in Soviet-owned North Sakalin, now being exploited by Japanese firms, involve, in the opinion of the Japanese government, vital national rights and interests, Mr. Yoshiaki Hatta, Minister of Overseas Affairs, told the Budgetary Committee of the House of Peers Feb. 14.

The question of protecting these rights and interests in the face of alleged Soviet interference was being studied jointly by the Ministries of Foreign Affairs and of Commerce and Industry, Mr. Hatta said.

"In contrast to fishing, which can always be carried out within the range of a destroyer's gun," Baron Michitomo Iwakura said, "the extraction of petroleum and coal has to be carried out on land, under Soviet surveillance, in spite of the fact that those two industries have a grave bearing upon our national defense."

Baron Iwakura charged that the Soviet authorities were wantonly arresting employees of the North Saghalien Petroleum Company, in addition to bringing other pressure to bear upon Japanese field workers.

Efforts for the preservation of Japanese rights and interests in the question of fisheries in Soviet Russian waters will be redoubled by the Japanese Government, Mr. Hachiro Arita, Foreign Minister, assured the House of Representatives.

This followed the unanimous adoption by the Lower Chamber of the Diet of a joint resolution introduced by all parties urging the Government to take measures "stronger than diplomatic steps" for the defense of Japanese fishery rights. Mr. Arita denied that the government had been delinquent in insisting upon Japanese fishery rights in its negotiations with Moscow.

Bruening Denounces Nazi Jail Tortures

REVELATION of some of the inhuman tortures perpetrated on prisoners in Nazi Germany was made Feb. 5 at a meeting in Boston, Mass. of the Unitarian Men's Club by Dr. Heinrich Bruening, former German chancellor.

Dr. Bruening said it was difficult to make a German tell "what he really thinks in his heart" because of the threat of violence to himself or relatives within reach of the Nazi authorities.

"I cannot even tell the story of the secret state police and the fate of many of my dearest friends," he said. "It is hard to imagine to what depths human depravity can sink . . . Cells have been lined with electric light bulbs so that a prisoner feels as though he were dying of thirst. At the same time he is forced to listen continually to recorded speeches of Marshal Hermann Goering, Air Minister.

"Very few people can stand that for more than three or four months. People

How to Overthrow Hitler

—Thomas in Detroit News

cannot stand this modern system of torture, this continual fright . . . After three days of it I have seen a man come out looking like a man of 70 with whitened hair."

The former German chancellor went on to say that the only effective opposition to the Hitler regime was now concentrated on religious and educational questions. He declared that not even the denunciations of President Roosevelt could turn Herr Hitler from his course, while the Nazi censorship is so complete and Hitler's "modern system of torture" so cruel that no internal opposition to the Nazi regime is possible.

Senator Robert F. Wagner, Democrat of New York, introduced legislation in the Senate last week which would permit the entry of 10,000 German refugee children under fifteen years of age to the United States this year and 900 more in 1940. Senator Wagner asked for prompt public endorsement of his plan to aid Jewish emigration from Nazi Germany. He said the bill should be supported "in the interests of justice and humanity."

Six thousand Jews arrived in Great Britain from Germany since September last year, Sir Samuel Hoare, Home Secretary, declared in the House of Commons recently.

More than 85 German-Jewish emigres arrived in Shanghai with the Messageries Maritimes vessel *Athos II* last week. It is reported that these emigres did not leave Germany legally, but fled across the border into France, proceeding to Marseilles, thence to Shanghai.

Large Radio Audience Expresses Approval of Review's Broadcasts

XMHA TAKES REVIEW OFF THE AIR

Complaining that in his last Friday broadcast on Feb. 10 the China Weekly Review radio commentator had made remarks offensive to the Catholic Church, and that therefore "it would be very much out of order for us to allow your weekly commentator to go on the air immediately following the Shanghai Catholic Radio League which is on the air every Sunday night from 7.30 to 8.00 p.m.," Station XMHA has informed the Review that its weekly program, heard and appreciated by a large number of radio listeners, is to be discontinued, "for the time being at least." The Review broadcast, hitherto given on Friday evenings at 8 o'clock, was to have been transferred to Sunday evenings, commencing Feb. 19, due to rearrangement of station schedules.

The reference objected to by the Catholic Church was used in connection with a report, widely publicized in the U.S.A. and elsewhere, that the Nazi government was planning to confiscate property of the Catholic Church in Germany in much the same way as the property of German and Austrian Jews. The Review obviously had no intention of injuring Catholic susceptibilities, particularly at the time of the death of the Pope, which occurred the same day as our broadcast. Our only purpose was to add emphasis to reports of the crisis facing the Church in Germany.

In any case, the Review believes that its readers and listeners will not endorse the decidedly undemocratic action of Station XMHA in taking its commentator off the air and thus depriving radio listeners of a program widely regarded as interesting and instructive. Station XMHA, located at 445 Racecourse Road, Shanghai, is owned by the Henningsen Produce Company, of which U. S. Harkson is managing director.

APPRECIATION of the weekly news commentary broadcasted from Station XMHA in Shanghai by the *China Weekly Review*, was indicated this week in numerous letters received by the editor and in telephone calls to the *Review* office from dozens of listeners, all of whom express the unqualified desire that the broadcasts continue.

On Friday night of last week, at the end of the regular broadcast, our commentator announced that since, due to re-arrangement of station schedules, it would be necessary to transfer the broadcasts from Friday to Sunday evenings, it was desired to get the opinion of the radio audience as to whether the program should be continued in the future. So gratifying was the response, that it was decided to continue the broadcasts at least for the time being.

There has not yet been time for letters to come in from interior China, from the outports, or from abroad. All the letters received from local listeners (and one from a listener in Chinkiang) testify to the popularity of the *Review* program. A listener at a local cotton mill writes as follows: "I think that I am voicing the unanimous opinion of at least 50 persons (both Chinese and foreign) who are either connected with the above mill or are intimate acquaintances of the undersigned, that it would be a distinct loss to the thousands of your unseen listeners if you decide to discontinue the weekly broadcast . . . If possible, I would urge you to continue with your very interesting and outspoken commentaries, and wish you the best of luck, as I am sure your broadcasts are not only enjoyable, but educational."

A listener living in Japanese-controlled Hongkew writes: "Personally I should greatly regret your going off the air. Not only do I always listen to your broadcasts, but I have considered them as one of the most interesting features to come over the radio. I shall hope that they will continue on Sunday evening."

Chinese Appreciation

From a Chinese radio fan, living in the French Concession, comes this note of appreciation: "Being a regular listener to your news comments every Friday evening, I was disappointed to hear that you were going to discontinue further broadcasts unless you had the support of the public. I hereby write to express the keen interest I have taken in your broadcasts and earnestly hope that you will continue to give the radio public this useful service."

And this brief but appreciative comment from a resident of the International Settlement: "Please do not discontinue your weekly comments on radio station XMHA. Both my husband and myself look forward to it every week. We shall miss it dreadfully if you do."

From a well-known local insurance office: "By all means continue your weekly broadcasts. They are most interesting and informative. Not only myself, but many of my friends have shown their keen interest in it. Keep up the excellent work."

Two more members of the *Review's* radio audience write: "Keep it up, as it is one of the high spots among the local broadcasts put out over the local station, and lots better than quite a few that come in over the short waves. As you know, the average commentator cannot satisfy everybody, and there are bound to be some who will not like what you have to say. But my wife and myself think that your broadcasts are fair and impartial to both sides of any question that you put out over the air, so keep up the good work."

And another comment from another local insurance office: "I wish to express my appreciation of your weekly broadcasts. They are intelligent, informative and well delivered, and therefore interesting. My wife and I look forward to them each week and sincerely trust that they will not only be continued but possibly increased, say, to twice a week."

An anonymous "Radio Fan" has this to say: "I think Shanghai radio listeners will agree with me that your weekly commentaries are very interesting and broad-minded. I hope that you will not discontinue them."

And this from another Chinese listener: "I'm hastening to suggest that you try to continue this weekly broadcast or review of news by all means, as it is one of the sources of pleasure for the radio audience of Shanghai. All who listen in have commented favorably on these weekly reports and many, as I, hope you will continue."

Yet another Shanghai listener finds the *Review* broadcasts "absolutely above reproach, since I think all views given are sound and logical, besides being extremely interesting. All my friends think so, too. Every week I have tuned in on your broadcast eagerly, and have been rewarded fully as to my expectations."

From Chinkiang Listeners

This comment from Chinkiang: "We unanimously agreed that we cannot but urge you to please plan to continue the weekly news broadcast. This comes from the members of our household (names given—Ed.). I am sure that other Americans in port also appreciate the weekly review of news."

From a Russian listener in Shanghai—terse and to the point: "Friday radio broadcast. It's interesting. Please do continue!"

A listener living on Bubbling Well Road writes: "Please let me be one of the first to ask you to continue your very interesting broadcast, which is very much appreciated by me and my whole family."

From way out on Amherst Avenue comes praise of the type calculated to bring a blush to the cheeks of the most hardened radio commentator. "Only once a week do we get a real broadcast of news and views," writes this listener, adding that thousands of radio listeners would regret the discontinuance of the *Review* program.

These are samples of the comments received at the office of the *China Weekly Review* and at Station XMHA. With very few exceptions, each letter is signed and the address of the writer given. Not a single letter has been received expressing disapproval of the *Review* broadcasts.

U.S. Pacific Coast Radio Broadcasts Inaugurated

The first international broadcast radio transmitter in the United States west of the Mississippi River will go on the air when W6XBE, located on Treasure Island, site of the Golden Gate Exposition in San Francisco, is formally inaugurated today (February 18), coinciding with the opening of the Fair.

Telegraphic advice received by the office of the American Commercial Attache in Shanghai indicated that W6XBE would commence making preliminary tests on February 13 and 14 from 0200 GMT to 0800 GMT (Shanghai Time: 10:00 a.m. to 4:00 p.m., February 14th and 15th). This new 20 kilowatt station is the first broadcasting station in America to place a specially directed beam on Asia, and it is hoped and expected that this will for the first time give to radio listeners in China greatly improved reception from the United States.

Miss A. Viola Smith, American Trade Commissioner, Room 502, No. 51 Canton Road, Shanghai, will welcome receiving from radio fans in China reception logs of this new station and their suggestions and comments for improvement.

Station W6XBE will operate on two frequencies; 15,330 kilocycles or 19.56 meters, and 9,530 kilocycles or 31.48 meters. These frequencies are duplicates of the wave lengths used by General Electric for many years in its shortwave broadcasting over W2XAF and W2XAD from Schenectady. Because of the difference in time between the East and West Coast of America, it will be possible for this new Pacific Coast station to operate without interference and provide more or less a 24 hour shortwave service on these two wave lengths from America.

Free China Is Up and Doing!

BY GERALD L. G. SAMSON

ALTHOUGH sitting beside a truck driver during a journey of some 1,400 miles from the border of Indo-China to Chungking (China's national capital since the fall of Nanking), eating, sleeping and occasionally stopping off in both big towns and hamlets, affords one but a fleeting glimpse of the Chinese countryside and the people, it is none the less sufficient to prove convincingly that Free China is optimistically up and doing, and that in contrast to the lamentable destruction of human life and property either by Japanese bombs or the "scorched-earth" policy, taking the long view, unoccupied China has gained a great deal more than she has lost by these eighteen months of war.

With the mass migration from the coastal provinces into the interior, provincial barriers and prejudices are slowly vanishing. The Mandarin language is becoming more universally used, and month by month more people are becoming conscious of the common bonds uniting them: their Chinese nationality; their supreme leader, Generalissimo Chiang Kai-shek; and their one enemy, Japan.

The opening up of the interior is proceeding apace, even though most of this work must be done by manual labor instead of modern machinery which China either cannot afford or else cannot transport where it is needed. New railways and highways are being rapidly completed and many more are projected.

Nevertheless, but for the French-owned railway to Kunming (capital of Yunnan) and an air service which is booked up weeks ahead, one is obliged to proceed to the capital by road. And if you have no car, you are forced to rely either on bus services, which again are booked up well in advance, or on lady luck in the guise of an opportunity to ride on a truck going in your direction.

Ex-Shanghai Mayor On Trek

I was most fortunate. It so happened that I was able to travel as far as Kweilin in the company of Lieut.-Commander H. E. H. Nicholls, who was on his way to relieve the Captain of *H.M.S. Sandpiper* at Changsha (this being the vessel that was bombed by the Japanese last October). We rode with a convoy of China Red Cross trucks and ambulances, the former carrying three and a half tons of British naval stores all the way to Changsha—the British Navy paying for the gasoline consumed en route—Japanese military and naval restrictions making their normal conveyance up the Yangtsze impossible. A chance meeting with an old acquaintance, General Wu Te-chen, who had just been honorably relieved of the governorship of Kwangtung, the day after my arrival in Kweilin (capital of Kwangsi), resulted in my accompanying his caravan of four cars and two baggage trucks the rest of the journey to Chungking by way of Kweiyang (capital of Kweichow), the most colorful and scenically beautiful part of the trip.

I found the entire road from Dong Dang on the Indo-China frontier to the capital in pretty good shape, save for one or two stretches which got ploughed up badly by heavy rains, obliging drivers to go slow to avoid skidding. And I am reliably informed that the state of the Kunming-Kweiyang highway is equally satisfactory. Nevertheless, an army of workmen is kept continually employed improving these highly important strategic highways, widening the narrow stretches and cutting off sharp corners with hand-chisel and pick-axe, more often than not through mountains of rock. Interestingly enough, in Kweichow and Szechwan, usually spoken of with good reason as backward provinces, the highway is marked out in kilometer milestones—these being the newer sections. Another army is sitting by the wayside in small groups breaking up pieces of rock into surfacing material for the repair gangs who are always busy. (This is conscript labor—each hsien having to provide so many

With Red Cross Trucks Across Country

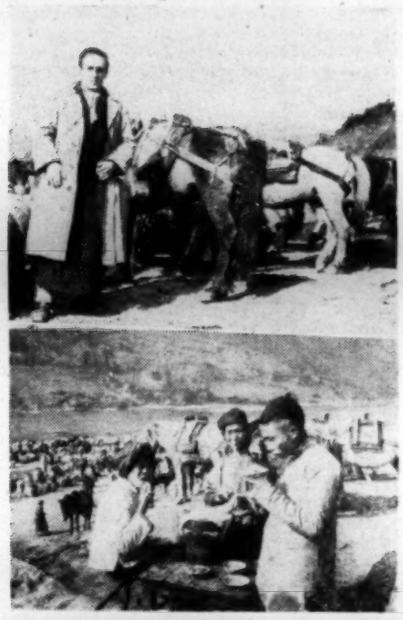
Photos by Gerald L. G. Samson

Top picture shows the party with whom the author of this article made the journey to Chungking from Kweilin. At the middle of the group (with short coat and muffler) is Gen. Wu Te-chen, former governor of Kwangtung province and one-time mayor of Shanghai. To the right of him is "General" Morris Cohen, personal bodyguard of the late Dr. Sun Yat-sen and now a pensioner of the Chinese government. Center picture shows a convoy of Red Cross trucks, while below is the leader of the truck convoy, which is about to cross the French Indo-China frontier into Kwangsi.

workers who are paid on a piece basis.) Bridges are likewise replacing the ferry boats, and wooden bridges are giving way to structures of stone and steel.

A third army of workers is engaged in constructing the railroad which is to connect Indo-China with Nanning and Kweilin. The roadbed, which runs parallel with the

Along the Road



Above, Gerald L. G. Samson, the author of this article, en route to Chungking. Below, part of a caravan resting up before crossing a river by ferry.

highway in many places, is all but complete except for a series of reinforced concrete bridges, work on which has only recently begun. The Ministry of Communications expects the line to be open to traffic as far as Ninming (roughly 100 miles south-west of Nanning) by the end of March and to Nanning itself by September. Incidentally, this whole section is being financed to the extent of seventy per cent by French interests.

Numerous universities, colleges and middle schools have already found their way from occupied territory into Free China and others are en route—a most encouraging sign. Several hitherto obscure villages, in north-west Kwangsi for instance, are now seats of universities and colleges. In Kweiyang, I visited two important medical colleges full of students (some 500 young men and women) all from colleges previously situated in the costal provinces. One of them, the National Kweiyang Medical College is extremely grateful to the British Boxer Indemnity Fund trustees for the generous financial assistance extended to it. To have got these students into the interior where I found them seriously studying is a great achievement in itself. And to have these medically-trained men and women serve on graduation in areas where the first rules of hygiene have yet to be learnt, is a wonderful step forward.

In Kweiyang I also happened upon a school teaching the Russian language exclusively to Chinese students in the daytime and mostly to civil servants and provincial government employees at night for a fee of $4 a month for two hours instruction a day. There is another such school in Kweilin which was moved from Hankow last August. Both these establishments are run under the auspices of the Sino-Russian Cultural Society.

In order properly to appreciate what has already been achieved by the National Government and the vast problems still awaiting solution, however, one cannot do better than travel through the backward province of Kweichow where human beings are still engaged in the work of beasts of burden. I spent the whole of my first day in the province gazing in astonishment and wonder at the extraordinarily heavy loads being carried on the backs and shoulders of not only men and women but young boys and girls. The richer farmers and merchants employ mule trains to carry their produce and merchandise, and from the second day onwards we passed scores of them bringing mostly rock salt from Szechwan and returning loaded up with cotton yarn for the mills that have sprung up in various parts of that province. But, by and large, the human pack horse is still the only available means of transportation (trucks being needed for military requirements) and even the Chinese government mails are often carried in this fashion. I felt sick at such sights, yet I admit that the majority of the carriers (other than those transporting rock salt who appeared desperately poor) looked healthy and strong, and none the worse for their labors.

Conditions of Poverty

Nowhere in China have I seen garments with so many patches. This is due to the high cost of cotton yarn which must be brought from other provinces. Killing two birds with one stone, the Ministry of Economics is tackling this situation by encouraging the farmers to grow cotton (seeds are being distributed free) instead of the forbidden opium poppy. And within three years, the ministry calculates that Kweichow will be raising sufficient cotton to supply all its own needs.

Sadder still, the impoverished peasants have a poor mountainous soil to till whilst underneath lie rich minerals awaiting exploitation. Only the inability to transport them to market now prevents their excavation at a commercial profit. And this state

Patriotic Posters in Lungchow

Photos by Gerald L. G. Samson

These posters, showing the harsh realities of war, were found on walls in Lungchow, Kwangsi city located just across the border from French Indo-China.

of affairs exists in an even greater degree in other provinces such as Shensi.

On the other hand, throughout the journey I noted that both markets and shops were well supplied with merchandise. Essential food-stuffs, especially vegetables, poultry and pork, being plentiful and cheap. What a contrast to the soaring prices we experienced in England within a few months of the outbreak of the Great War! Neither is there any dearth of cigarettes. In fact I have never seen anywhere so many shops in one street with tins stacked up from counter to ceiling. Tinned food is also procurable, though this is naturally comparatively expensive. And even European drugs, soaps and perfumes can be obtained in any of the larger towns.

Albeit, it must not be thought that one is not constantly reminded in numberless ways that China is at war. Every city we visited had been raided by enemy planes. In Nanning and several other towns there is little or no business done before noon. Banking hours are from 4.30 p.m. till 8 p.m., the population migrating en masse soon after dawn and returning only shortly before dusk. (Japanese planes seldom appear after 3 p.m.) Scenes of wanton Nipponese destruction abound; but the most harrowing sights are to be seen in Kweilin. At least a third of the city, including mission property and hospitals, lay in ruins at the time of my visit.

Added to which thousands of recruits and troops are in training all along the line; and almost everyone is wearing some kind of uniform in Kwangsi. Patriotic posters and paintings exhorting the people to stand shoulder to shoulder against the invader or else contribute in money or kind to the national war chest, also claim one's attention in even the smallest hamlet.

Summing up one's impressions, one is left in no doubt that rehabilitation, construction and development are far and away more important and far-reaching than those of destruction. The Chinese nation has not been found wanting in its hour of crisis. On the contrary, it has developed an unexpectedly vigorous spirit of tenacity, grit and determination to be worthy of its national independence.

Chungking, January 24, 1939.

Primitive Transport in the Southwest

Photos by Gerald L. G. Samson

This picture shows a gathering of mule trains en route to Kweichow from Szechwan. They were snapped by the author of the accompanying article, who was travelling in the opposite direction with a convoy of Red Cross trucks.

Nippon Daily Charges U.B. With Tax Evasion

Severe measures will be taken against the Union Brewery, Ltd., of Shanghai by the "Reformed Government" for alleged tax evasion, the Shanghai *Mainichi* declared last week.

Taking advantage of the withdrawal of the Kuomintang regime into the interior, the brewing company has evaded the payment of tax, the paper asserted. Following the advent of the Reformed Government, the U.B. still continued their non-payment policy, the paper said.

By such evasion, the Union Brewery has been steadily increasing its sales, competing successfully against other brands of beer, the paper claimed. "Dumping" of its output, by being able to maintain a lower price than other brands, was charged by the journal. The "Reformed Government" will resort to strict measures in dealing with the Union Brewery, which will lead to ultimate payment of the tax, the *Mainichi* believed.

Reverend Huang in Many Japanese Bombings

The Rev. Quentin Huang, Chinese Christian preacher, formerly stationed in Nanchang, Kiangsi province, was again caught in a Japanese air-raid in Kweiyang, Kweichow province on Feb. 4, according to a report received in Shanghai this week. Rev. Huang had accompanied about 100 families from the dioceses of Anking and Hankow and from various places in South China. They had just rented quarters for a church when the Japanese bombers arrived and destroyed much of the business section of the city. Rev. Huang said that he had been through innumerable bombings, the worst being last Oct. 24 when the Japanese bombed a crowded train containing more than 400 women and children enroute from Hankow to Changsha. Eight of Rev. Huang's personal charges were killed and 30 wounded. It was necessary to take the wounded and most of the refugees the remainder of the way on junks. There was little food and for 24 hours they were without water.

S.M.C. Lays Crime Wave to Japanese

Responsibility for conditions in the Western areas of Shanghai, which are generally conceded to be the main source of the wave of armed crime which has been sweeping this city, was placed squarely on the shoulders of the local Japanese authorities by the Shanghai Municipal Council in a statement issued last Sunday in response to allegations that the Shanghai Municipal Police were lax, and even "insincere," in their efforts to apprehend perpetrators of terrorist acts committed within the International Settlement.

Summarising an interview which the chairman of the Council, Mr. C. S. Franklin, had with Mr. Yoshiaki Miura, Japanese consul-general, the statement said that while the Council deplored the recent terrorist outrages, the chairman had refused to admit that there had been any failure on the part of the S.M.P. to take precautions or to strive for the arrest of the assassins. As an example of S.M.P. vigilance, he cited the fact that during the first eight days of February the police had arrested 144 armed criminals and seized 18 pistols.

Important Statement

Continuing, the statement said: "The chairman proceeded to emphasize that it was impossible for the police satisfactorily to cope with terrorist outrages unless greater co-operation was received from the Japanese authorities in cleaning up the areas adjacent to the extra-Settlement roads. In the enclaves adjacent to these roads and outside the Council's jurisdiction there existed over 20 gambling dens, and there were known to exist no less than 18 opium hongs. It is further known that a large number of these establishments are operating under Japanese protection. The inevitable result is that these areas have become the headquarters of criminal gangs which operate from these areas and, after committing outrages in the Settlement or on Council roads, escape back to these areas.

"It is definitely established by police reports that there have been at least two large and dangerous gangs to whose activities a number of outrages that have occurred have definitely been traced by scientific police methods. One of these gangs was broken up by the Municipal Police in Fah Wah Village, but two of the ringleaders subsequently escaped from the custody of the Japanese-supervised Shanghai Special City Government Police.

"The first information that an organized gang was operating in the western area was on August 28, 1938, when they participated in an armed highway robbery in a lane off Kinnear Road. Since that date this gang has been connected, through examination of cartridge cases or bullets, with no less than 18 cases. This gang was associated with the assassination of a detective inspector of the Police Bureau of the Shanghai Special City Government on February 2, 1939, and with the assassination of an official of the Joss Tax Bureau on February 7, 1939.

"The chairman further pointed out that pro-Japanese Chinese officials had been warned over and over again by the Japanese Gendarmerie, at the request of the Municipal Police, to try to avoid forming regular habits and using the same roads daily, and that they had also been asked to report all parties and meetings in advance to the police so that special protection could be given. Neither of these requests had been complied with," the S.M.C. statement concluded.

China, Soviet Russia and Sinkiang

BY K. S. WEIGH

SINKIANG (literally the "New Dominion") or Chinese Turkestan has again forged to the forefront in Chinese politics. Following the Moslem rebellion of General Ma Chung-ying in 1933, the Central Government found it expedient to dispatch a special commissioner to Sinkiang in the person of the late General Huang Mu-sung to attempt a settlement of the trouble between the Chinese local authorities and the Moslem rebels. More significant was the trip undertaken by Dr. Lo Wen-kan, then Minister of Foreign Affairs, to this farflung territory shortly after the return of the abortive mission of General Huang.

The current Sino-Japanese hostilities have brought about a realignment of forces which tend to strengthen the tie binding Sinkiang to China. Soviet Russia's overt sympathy toward China in the present crisis has been largely responsible for this change of attitude on the part of Sinkiang *vis-a-vis* the Central Government. The stand taken by the New Dominion with respect to the war has been from the beginning clearly one of allegiance and loyalty. It is reported that as early as 1936, when Chinese troops in Chahar took up resistance, the people of Sinkiang at once started to contribute funds to finance the campaign, and a sum of $90,000,000 (Sinkiang currency) was said to have been donated for military operations at the front. Since the outbreak of the hostilities, various patriotic associations, as well as students' and women's organizations, trade and labor unions, have been formed. All these have been actively engaged in different kinds of war-service work.

The latest concrete manifestation of Sinkiang's loyalty is the reported contribution of ten airplanes to the Chinese air force and one million winter uniforms to Chinese soldiers, as decided upon by the All-Sinkiang Congress which met on October 8, 1938 and was attended by 6,000 delegates representing 14 races of the people of the province. At the same congress General Sheng Shih-tsai, Pacification Commissioner of Sinkiang, was said to have pledged anew his full support and allegiance to the Central Government and General Chiang Kai-shek, and to have urged that the Chinese Government should immediately train a new army in the southwest and northwest in order to offer prolonged resistance to the Japanese.

Creating a Moslem Army

Of greater interest is an announcement published recently, though inconspicuously, in a Moscow newspaper to the effect that General Ma Chung-ying, erstwhile rebel against the Chinese authorities in Sinkiang, is said to be organizing a Moslem army of some 400,000 men to fight shoulder to shoulder with the Chinese national armies. It may be recalled that General Ma was interned in Soviet Russia in 1933 after his unsuccessful revolt, and has since lived more or less as an honored guest of the Soviet Government in Alamatu. Great significance must, therefore, be attached to his release at this time by the Soviet authorities, and in the formation of his army it is not unreasonable to suppose that General Ma must have been assured of Soviet arms and equipment and other forms of assistance. This army, if and when organized, will be a factor to be reckoned with, for the Chinese Moslems, especially the Tungans of Sinkiang and Kansu, have the reputation of being the best fighters in China and are singularly skillful in guerrilla warfare.

With the war receding more and more into the interior, the removal of the seat of the National Government nearer to the border of Sinkiang, and the development of better and improved means of communication, Sinkiang is and will continue to be a most important link between China and the Soviet Union. The fall of Canton has cut the most important route of arms supply from Hongkong. The other water route from Haiphong in French Indo-China to Kunming in Yunnan may possibly be put out of commission. Apart from the newly-completed motor road between Burma and Yunnan, there will then remain only the overland route from Sinkiang to Lanchow, capital of Kansu, from which radiate highways connecting this remote provincial capital with Chengchow through Sian in the east, with Tibet in the west, and with Szechwan in the south.

Soviet Arms Arrive

According to reports, supplies of arms and ammunition from the Soviet Union have already been effected by the airway extending from Kuldja in Sinkiang, the highway from Sinkiang, and the Lanchow-Ulan Bator motor road, although the latter is now being threatened by the Japanese advance into Inner-Mongolia, leaving only camel trails to be used. It is also said that parallel to the Sinkiang highway is a railway roadbed, awaiting only the placing of tracks and sleepers to make it complete. Sinkiang is destined, therefore, to play a vital part in the outcome of the present undeclared war between China and Japan.

Historically, Sinkiang is the first of China's dominions. As early as the Chou Dynasty, about sixteen centuries before Christ, China undertook expeditions into the Northwestern territory through which ran the trade routes to the Western world. It was during the Han Dynasty, about 2,000 years ago, however, that Turkestan was conquered and became a part of the Chinese Empire, known as the Western Dominion. But it was not until the Manchu Dynasty, in the latter part of the eighteenth century, under Emperor Chien Lung, that the present vast regions north and south of the Tienshan ranges were incorporated into the Chinese domain. These new regions, together with the Western Dominion, were renamed the New Dominion, hence Sinkiang.

Geography and Economy

The importance of Sinkiang to China may be gauged from a few of its geographical and economic factors. Sinkiang is larger than Manchuria and Jehol combined and is the largest single territorial unit of the Chinese Republic. It has an area of about 530,000 square miles, comprising one-eighth of the entire Chinese Republic, or two-fifths of the territory of China Proper. It is bounded on the north by Outer Mongolia and Russian Siberia, on the west by Russian Turkestan, on the south by Tibet and British India, on the east by Kansu and Chinghai. It has a population of approximately 2,500,000 people, which means an average of one person to every three square miles of territory, and is thus the most sparsely populated region in the whole of China. The population is composed of Chinese, Moslems, Manchus, Mongols, Tungans, Russians, Jews, Afghans, Indians, Aryan Turks, etc. Thus one finds in Sinkiang a conglomeration of races, speaking diverse languages and having diverse customs, which is rarely found elsewhere in the world.

From the economic point of view, Sinkiang is a land of golden opportunity. It has the climate of a continent, conducive to the growth of all kinds of agricultural products. It has immense pastures for the raising of livestock. Gold, iron, and coal are among its principal mineral resources. Petroleum may be tapped in the southwest. Sinkiang, therefore, only awaits the magic touch of modern science to transform it into a land of abundance and prosperity.

The official relations between China and Russia concerning Sinkiang date back to the conclusion of the Treaty of Peace at Nerchinsk on September 9, 1689, which provided among other things for the demarcation of boundaries, the right to travel and trade, and the regulation of fugitives and deserters. This was followed by the Treaty of Peking of October 21, 1727, delimiting the frontiers, regulating the extradition and execution of criminals, and providing for the freedom of commerce. A supplementary Article regulating offences occurring at the frontiers was added on October 18, 1768 to the Peking Treaty. On July 25, 1851, was signed the Treaty of Kuldja concerning trade between Kuldja and Tarbargatai (Tchuguchak). On November 14, 1860, was signed at Peking an additional treaty to the Treaty of Tientsin of June 13, 1858, regulating frontier trade and boundaries and providing for the establishment of Russian consulates in certain specified places in Sinkiang.

St. Petersburg Treaty

The northwestern boundaries of China and Russia were again demarcated by a Protocol of Conference signed on October 7, 1864, at Tarbargatai. A revised Convention with regard to overland trade was negotiated and signed at Peking on April 27, 1869. On February 24, 1881, was signed the famous Treaty of St. Petersburg with its accompanying Protocols and Regulations providing for the delimitation of national boundaries and settlement of questions of consuls and frontier trade. There were two other agreements signed on November 25, 1882, and on May 5, 1884, at Kashgar, defining the boundaries of Kashgaria.

It is evident from this list of treaties and agreements that the question of boundaries figured prominently in the arrangements made by the diplomats. According to the original agreements, the contracting parties were to appoint every year special commissioners jointly to investigate into and fix the boundaries of the two nations. This annual meeting was subsequently changed to take place once in every three years. Up to 1884 there had been regular conferences of the commissioners, but since then and until the Chinese Revolution in 1911. They were allowed to lapse eight or nine times; and during the Republican era hardly any meeting had been held. The disputes arising out of boundaries have been frequent and many, as they were marked only by wooden posts or stones, or indicated by rivers or mountains, the former without constant replacements being subject to demolition or alteration by the elements, and the latter being at best vague and indefinite. It is estimated that during the Manchu régime, China lost no less than 150,000 square miles of territory in Sinkiang alone as a result of boundary disputes and wars with Tsarist Russia.

The Russian Civil War

Sinkiang, bordering on Russian territory for thousands of miles was naturally the first to feel the repercussions of the Russian Civil War. The attitude adopted by the provincial authorities of Sinkiang was one of strict neutrality. The problem confronting them was how to maintain this neutrality during the long period of uncertainty. The slightest favor shown to one side might lead to complications with the other, which could not but convert

—*Time Magazine*

Sinkiang into a battle-ground between the White and Red forces.

With the ascendency of the Soviet military forces and the utter defeat of the White Russian armies, the problem of taking care of the large number of Russian refugees and defeated soldiers who had crossed the frontiers into Chinese territory became acute. To cope with the situation the Sinkiang authorities increased the frontier defence force, disarmed and interned the White Russian troops, segregated the refugees and devised means for their subsistence, etc.

The difficulties confronting the Sinkiang authorities at this time were complicated by the facts that the old Russian government and its representatives were then still legally recognized by the Chinese government, and that intrigues were encouraging reactionary elements to use Sinkiang as a base of hostile operations against the new order in Russia. Sinkiang, nevertheless, succeeded in maintaining its neutrality and the Reds were given no cause to violate the integrity of Chinese territory in their pursuit of White Russian troops. It is probable that no less than several hundred thousands of defeated Russian soldiers and refugees sought safety in Sinkiang during the period of the Civil War. The expenses incurred in their maintenance must, therefore, have been quite heavy.

Sino-Soviet Relations

Upon the conclusion in May, 1924 of the "Agreement on General Principles for the Settlement of the Outstanding Questions between the Republic of China and the Union of Soviet Socialist Republics," and in accordance with Article I of that agreement providing for the immediate re-establishment of normal diplomatic and consular relations between the two countries, as well as for the transfer by China to the Soviet government of the legation and consular buildings formerly belonging to the Tsarist Government, the Soviet authorities made representations to the Chinese Government demanding, in addition to the reopening of Russian consulates in Shanghai, Tientsin, Hankow, etc., the re-establishment of the five Russian consulates in Sinkiang.

In the opinion of the Chinese government, with the abrogation of the unequal treaties concluded by China and Tsarist Russia, and the conclusion of new agreements based on the spirit and principles of equality and reciprocity, the restoration of Russian consulates in Sinkiang should have been accompanied by the establishment of an equal number of Chinese consulates in Russian Central Asia. The Soviet authorities were pursuaded to concur in this view and finally an exchange of notes took place on October 6, 1924, giving effect to Article 1 of the Peking Agreement. Since then, the five Russian consulates in Sinkiang, namely, at Urumchi (Tih-hua), Kashgar, Inin, Tarbargatai, and Altai have been restored to the Soviet government, and the Chinese government has had a consulate-general at Tashkent and consulates at Alamatu, Andijan, Zaizan, and Semipalatinsk in Russian Central Asia.

After the 1917 Revolution in Russia and the unification as well as stabilization of the country under the Soviet régime, repeated efforts were made by the Soviet government to enter into regional trade agreements with Sinkiang. Up to 1931 there were altogether six attempts directed towards this end. The first fructified in the Ili Trade Agreement of May 27, 1920, and the last in the New Trade Agreement of October 1, 1931. The former was recognized by the Central Government, but the latter was repudiated, having been secretly concluded between the Sinkiang provincial authorities and the Soviet Government.

The Ili Agreement was quite an important document in the diplomatic history of modern Sinkiang. According to the St. Petersburg Treaty of 1881 and its accompanying trade regulations, Russian goods passing through the northern and southern trade routes in Sinkiang should be free of duty. Consequently, Russian merchants derived therefrom considerable profits, while the loss of revenue to China was enormous. Russian goods imported yearly into Ili through these trade routes are said to have totalled no less than thirty to forty million taels. Assessed at the conventional five per cent *ad valorem* duty, China's loss was approximately one and a half million to two million taels a year. For well-nigh 40 years these unilateral agreements had been in force, and therefore the loss incurred by Ili alone in her trade with Russia must have amounted to no less than fifty to sixty million taels, not counting the loss sustained from British imports, which were entitled to enjoy similar privileges under the most favored nation treatment.

The time for a revision of these obsolete agreements came with the fall of the Tsarist régime and the coming into power of the Soviets. The year 1921 also happened to be the year when the periodical decennial revision of the treaty and agreements fell due. Approached by the Soviet authorities at Tashkent for a resumption of trade, which had been interrupted by the Civil War in Russia, the Chinese authorities at Sinkiang lost no time in seizing the moment to revise the treaty for fear that it might be automatically renewed for another period of ten years, in spite of the fact that there was not yet a centralized government in Russia recognized either by the Powers or by China herself.

Upon the invitation of the Soviet authorities, a Chinese delegation proceeded to Tashkent and conferred with the Soviet commercial representatives in the early part of 1920. A second conference took place shortly afterwards at Inin. This was followed by a final conference on May 27, 1920, resulting in the signature of the Ili trade agreement of the same day.

The Ili trade agreement went a long way towards the recovery of certain of China's sovereign prerogatives and the nullification of some of the evils arising out of the ancient treaties with Tsarist Russia. It was negotiated and concluded under instructions from the Central Government and in due course approved by the competent authorities. Although it concerned Ili only, some of its provisions were more or less enforced in other parts of Sinkiang, despite the fact that no understanding to this effect had ever been reached. The Ili Agreement was to be abrogated by the new trade agreement concluded between the provincial government of Sinkiang and the Soviet Government in 1931. But as the new trade agreement had never been recognized by the Central Government, legally speaking the Ili Agreement is still valid.

Trade Agreement of 1931

Between May 1922 and May 1924 negotiations were entered into several times by the Soviet and Sinkiang provincial authorities to conclude a new trade agreement but without success, and with the conclusion of the Peking Agreement which was signed on May 31, 1924, both sides chose to await action on the part of their respective governments. Six years elapsed, however, without the Sino-Soviet Conference provided for in Article II of the said agreement achieving any concrete results. Meanwhile, diplomatic relations between China and the Soviet Union were interrupted, as a result of the Chinese Eastern Railway dispute in 1929. The internal political situation in Sinkiang also underwent a marked change. General Yang Tseng-hsin, who had ruled Sinkiang with an iron hand for 17 years, was assassinated by his subordinates. The administration then passed over to Chin Shu-jen, who was wont to assume an independent attitude and to ignore the orders of the Central Government. On his own authority and without instructions from Nanking, he secretly entered into a trade agreement with the Soviet authorities in the form of an exchange of notes which conceded to Soviet Russia many privileges which his predecessors had refused to grant. The existence of these notes was for the first time brought to the knowledge of the Central Government by General Huang Mu-sung during his sojourn in Sinkiang in 1934.

These notes with four Annexes attached were signed at Urumchi on October 1, 1931, by M. Slavutsky on behalf of the Soviet Government, and Chen Chi-shan on behalf of the provincial government of Sinkiang. They were entered into, as stated in the preamble, in view of the historical and economic relations between the provincial government of Sinkiang of the Republic of China and the Union of Soviet Socialist Republics, as well as of the desire repeatedly expressed on both sides for an expansion of their trade relations, and therefore had as their sole object the mutual development of the economic interests of Sinkiang and the Soviet Union.

By virtue of the agreement reached, the goods and nationals of Sinkiang and the Soviet Union were, in accordance with existing Chinese and Soviet laws, to pass from one territory into the other through the frontier points at Irkechtem or Turugart, Horgos, Bahtu, and Dzimunai. Soviet commercial institutions and nationals were to enjoy the following rights: to trade freely in the five areas of Kashgar, Ili, Tarbargatai, Altai, and Urumchi; to enter into sale and purchase contracts with the local merchants or commercial houses and to supervise the execution of the same; and, subject to the existing laws and regulations of Sinkiang, to move freely between the points where Soviet commercial institutions are stationed. It was also agreed that Soviet commercial institutions and nationals were to be placed on an equal footing with those of Chinese merchants and commercial houses with respect to the payment, whether at the present or in the future, of customs duties or other levies provided by the existing laws and regulations of Sinkiang.

Quid Pro Quo Expected

In return for these rights and privileges accorded to the Soviet government, the provincial government of Sinkiang expected to obtain a number of concessions. It was hoped, for instance, that the Soviet government would allow Sinkiang merchants, without undergoing the procedure of obtaining special permits, to have the right to transport all kinds of Sinkiang products without limitation into the Soviet Union, with the exception of those goods the importation of which was prohibited according to existing Soviet laws; and would permit Soviet commercial institutions and nationals, when entering into sale and purchase contracts with Sinkiang merchants or commercial houses, to freely arrange among themselves terms with regard to prices, mode of transportation, time of delivery, etc.

It was also hoped that the Soviet Government, in consideration of the economic interests of the people of Sinkiang, would make a full supply of all the machinery required for industrial, electrical, agricultural, and communications development, and would likewise be responsible for all the necessary technical experts as well as the training of Chinese technicians to undertake the reconstruction of Sinkiang; would render all necessary assistance in the improvement of Sinkiang's agriculture, forestry, animal husbandry, etc.; would permit the transportation through Soviet territory of goods produced in the interior of China to Sinkiang, or *vice versa*; and would, in a most friendly spirit, comply with the request of the provincial government of Sinkiang, should the occasion demand, for

the transportation through Soviet territory into Sinkiang of goods ordered by the provincial government. Four annexes provided for the promulgation of a uniform tariff; the establishment, at Urumchi, Kashgar, Inin, and Tarbargatai, of Soviet financial bureaux which would give Chinese merchants such financial assistance as might be requested; the closure of the pass at Irkechtem six months after the opening of the pass at Dzimunai; and the development and regulation of telegraphic communications between Sinkiang and Soviet Russia.

Following his overthrow, Chin Shu-jen returned to China and was arrested by the Central Government. In a petition justifying the unauthorized agreement he had concluded, Mr. Chin said that during his administration diplomatic relations between China and the Soviet Union were strained to the breaking point. The situation was aggravated by Ma Chung-ying's revolt, whereby Sinkiang's only trade routes with the rest of China were cut off. Under the circumstances, to break off trade relations with Soviet Russia could not but entail dire economic consequences. He was compelled, therefore, to enter in a sort of *modus vivendi* with the Soviet authorities, on the basis of existing trade conditions and the principles of equality and reciprocity. The stipulations contained therein not only did not affect China's sovereign rights in Sinkiang, in fact they placed a number of restrictions on existing Soviet commercial activities. China's sovereign prerogatives recovered thereby were not insignificant. Furthermore, it was expressly stipulated that the agreement in question was to be abrogated upon the conclusion of a Sino-Soviet Commercial Treaty. The duration of its validity rested with the Central Government. Mr. Chin therefore pleaded not guilty. Nevertheless, the Central Government considered Mr. Chin had exceeded his authority and sentenced him to serve a long term in prison.

Soviet Influence Preponderant

As geographical propinquity creates special relations and interests, Sinkiang naturally offers one of the best outlets for Soviet surplus products, as well as one of the best sources of raw material supply for Soviet Russia's ever-growing industries. Soviet geographical advantage has furthermore been made permanent by the many facilities for motor access and withal by the completion of the Turkestan-Siberian Railway in 1930, which brings the Soviets to within a few score miles of the western frontier of Sinkiang, as against some 1,600 miles to rail-head in China. Internal disorders contribute further to severing Sinkiang commercially from the rest of China.

The shift in economic power thus effected is not without its political implications. The Soviet Union is naturally deeply interested in the stability of the local administration in Sinkiang, upon which the prosperity of its trade depends, and greatly desires a regime which is friendly to it. The preponderance of Soviet influence in Sinkiang, both economically and politically, is an unconcealable fact. Nevertheless, it is interesting to note that when the sovietization and military conquest of Sinkiang by the Soviet Union were rumored at one time in certain quarters, the Soviet government organ *Izvestia*, under date of January 24, 1935, saw fit to state categorically that "the Soviet Union has always been opposed to the usurpation of foreign lands and ardently respects the independence, the integrity and sovereignty of the whole of China, including Sinkiang, which we consider as an inalienable part of the Republic of China." In view of the active part which Sinkiang is now playing in the Sino-Japanese conflict, as described at the outset, the war may prove a blessing to China as far as her relations with this outlying territory are concerned.

Americans Essay Conquest of 'K-2'

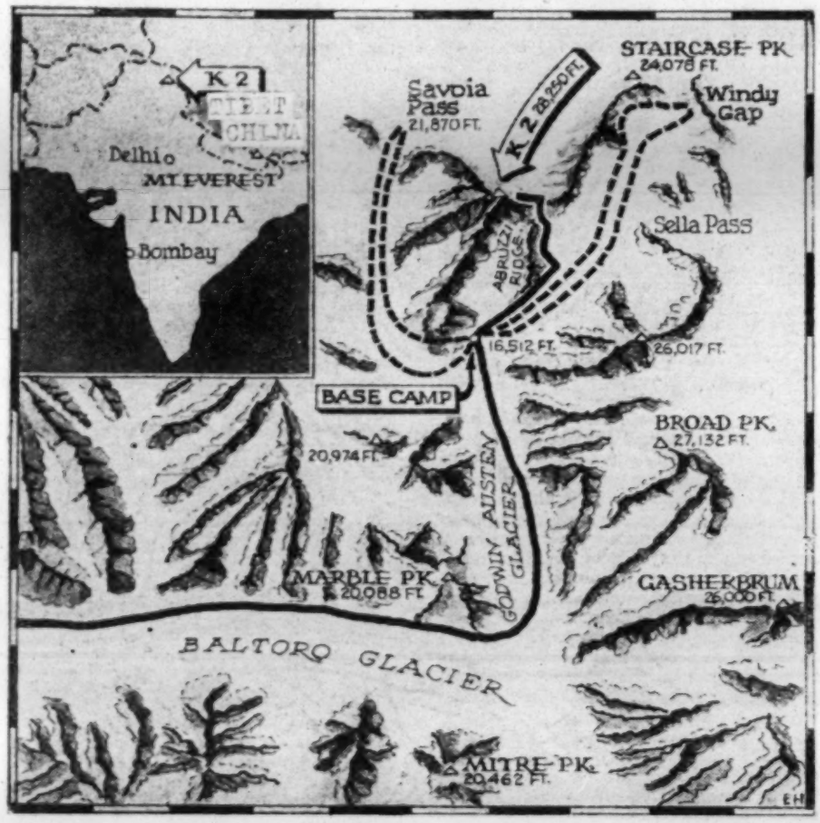
A group of American mountain climbers succeeded, a few months ago, in nearly reaching the top of the second highest mountain on the world's surface. The name of the mountain is "K-2" located about 800 miles from Mount Everest, highest in the world. Like Everest, it is a part of the Himalaya system and is only a short distance from the border between British India and Tibet-China.

The group was composed of Charles S. Houston, leader of the American Alpine Club; Robert H. Bates of Philadelphia; Richard L. Burdsall, an engineer from Port Chester, N. Y.; William P. House, a forester from Pittsburgh, Pa.; Paul K. Petzoldt, ranger from Jackson Hole, Wyoming. They were assisted by Capt. N. R. Streatfeild, transport officer with the Bengal Mountain Artillery.

Starting from Kashmir on May 13, 1938 the group reached the foot of the mountain on May 15 and immediately began the ascent of the 13,600-foot Zoji-la, or ridge, which had to be crossed before the real ascent was begun. By July 10 an altitude of 20,500 feet was reached and a camp established precariously on a narrow ice-covered slab. On July 20 they established another camp at the 24,500-foot level. From this camp, by prodigious effort, they managed to reach the base of the summit cone, well above 26,000 feet, and only 2,000 feet below the actual summit. Here a shortage of supplies, difficult weather and exhaustion of their Sherpas native assistants made it necessary to return, thus postponing the conquest of the world's second highest peak for another time. A few days of isolation on the top of that 28,000-foot peak, without food, would have been disastrous.

According to an article in the *New York Times Magazine* by the leader of the party, Charles S. Houston, not more than thirty or forty white men have ever seen the peak. The most comprehensive survey of the peak previously, was made by the Duke of Abruzzi.

Intrepid Americans Scale Second Highest Peak



New York Times Map

Consuls Take Action on Jewish Refugee Problem

Efforts are being made to discourage European Jewish refugees from coming to Shanghai, according to a letter received by the Shanghai Municipal Council from Commander L. Neyronne, consul-general for Italy and senior consul here.

The S.M.C. addressed letters to the senior consul on Dec. 23, 1938 and again on Jan. 16, 1939, drawing attention to the "serious social problem" created by the influx of Jewish refugees and asking that the various consulates take suitable steps to prevent further incursions of such refugees.

According to the reply received by the S.M.C., the various consulates have addressed their respective governments with a request that everything possible be done to discourage persons of little or no means from emigrating to Shanghai, and to use for the purpose publicity in the press and posters in railway stations and shipping offices.

It has been pointed out to the governments concerned that unemployment in Shanghai, already acute before the arrival of the Jewish refugees, has been "seriously aggravated," that funds in the hands of the local relief committee are practically exhausted, and that there is little prospect of these funds being replenished.

What Are Hongkong's Prospects For 1939?

BY ANNA GINSBOURG

THE smiles of Fortune, lavished on Hongkong since the outbreak of the Sino-Japanese war, are becoming less gracious as Japan penetrates farther into China's interior, but so far there has been little evidence for the popular admonition that they will turn into a sulky grimace as soon as Japan's invasion of South China results in isolating Hongkong from Canton and the whole China coast.

Looking through trade statistics, just made public by the Hongkong Imports and Exports Department (Statistical Branch), we find them in some degree reassuring. Hongkong's total trade for 1938 proved a record, having increased by 4.2% as compared with the prosperous preceding year, and the Colony's adverse trade balance decreased considerably during the period under review. Hongkong imports from China increased by 10.2% in 1938 as compared with 1937, and exports to China by 21% during the same period. Actually, the Colony's trade with China over the whole twelve months of the last year amounted to H.K.$463,000,000 and was 17.2% higher than in 1937.

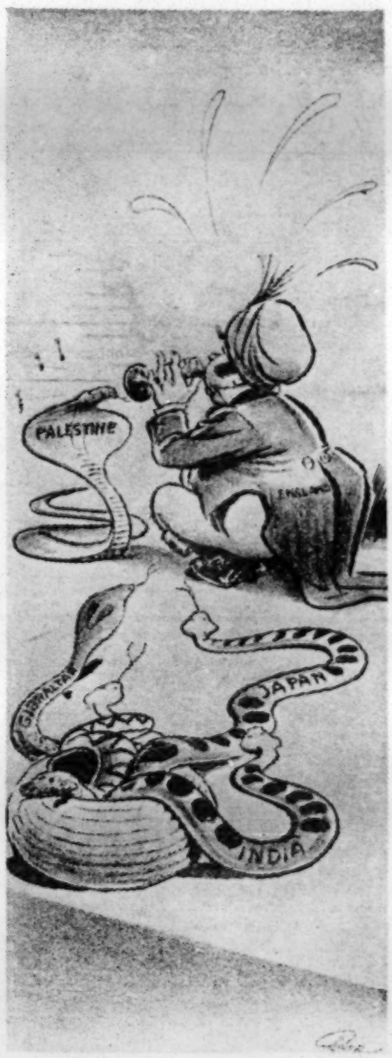
This unprecedented total was effected despite Japan's occupation of Canton. Imports from South China fell by 140% in December last as compared with the same month in 1937, while exports decreased by 315% during the same period. The figures for South China proved to be the lowest since the Chinese boycott of British trade, when commercially Hongkong was considered almost a dead city. There is little wonder that commercial circles in Hongkong were completely panic-stricken as regards their trade prospects in the coming year when the figures for December were made known.

And yet, in defiance of all bad omens and pessimistic predictions of its ill-wishers, Hongkong's collapse is not to be foreseen in the near future. There is justification for faith in the Colony's capacity for survival and further development of its economic and cultural advantages gained during the war-time prosperity.

Center of China's Export Trade

In spite of Hongkong's isolation from South China it remains the center of China's export trade, being connected by sea routes with the coast ports of Haiphong and Kwangchowwan and therefrom by railways and highways with the interior. Since the loss of Canton and Hankow, Chinese exports have been flowing abroad along two main routes, the Haiphong-Kunming Railway and the Chungking-Kwangchowwan highway, with Hongkong as the stepping stone. Native products of the vast interior are gathered at Kunming and then transported to Haiphong, and at Chungking to be sent to Kwangchowwan via Kweiyang and Kweilin. There is little apprehension that the newly-built Burma-Yunnan Railway and highway will divert traffic now effected via Hongkong, as the potential resourcefulness of China's inland exceeds by a good deal what is actually being shipped abroad due to a lack of adequate means of transportation. Woodoil and pig bristles are two main items of China's export effected through Hongkong at present, both serving as a very important factor in foreign credit loans to China.

Hongkong's importance as an intermediary in China's trade with foreign countries has been further augmented by its becoming the headquarters for China's great tea trade. Despite the Japanese occupation of Canton and Hankow, Hongkong's position in the tea market was firm enough at the end of the last year, and there is every chance for this line of trade becoming predominant. Nearly all the tea which Hongkong purchased from China in 1938 was sold to Soviet Russia towards the end of the year at a value of over $9,000,000. An interesting detail is that Soviet Russia now sends her ships to Hongkong for taking tea directly to Odessa, and at the time I am writing these lines a Soviet steamer is berthing alongside one of the Hongkong wharves. In a few days' time it will make the return trip to Russia, heavily loaded with a consignment of tea.



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The benefit derived by Hongkong from the war, if carefully scrutinized, proves to be of a more serious nature than a temporary boom in commerce and the consequent rise of land values. Of much more lasting importance is Hongkong's industrial expansion recorded since the outbreak of the war, when the most far-sighted Chinese industrialists transferred the center of their activities to Hongkong and thus attracted considerable commercial capital later invested also in new industrial ventures. The loss of Canton, which had such a detrimental effect upon Hongkong's trade, cannot affect in the same measure its industries, now firmly rooted in the Colony. On the contrary, it offers opportunity of capturing some of the markets formerly served by South China and Japan and catering for the Colony's home consumption, which is considerable due to the increase of its population by some 250,000. Moreover, industries provide employment, and this is another important factor not to be overlooked at present. The manufacturing cost is low in Hongkong and, although raw materials must be imported, facts and figures relative to already-started industries speak for themselves and give full assurance of bright prospects for Hongkong's industrial development and the future of the Colony.

Hongkong Grievances

All the grievances besetting the Colony are due to its over-population. In spite of the widely-predicted collapse of Hongkong, the stream of newcomers to this city continues unabated, and one wonders what is the limit of its capacity. Building activity is in full swing and whole blocks of new houses are being erected and rented long before their completion at fantastic figures. The Colony is suffering from lack of water and electric energy. Food supply and food distribution have been well organized, but prices of vegetables and other staple commodities, though steady, keep consistently high, and apparently the government's efforts at checking excessive profiteering have brought little result.

Another most serious sequel of Hongkong's over-population is the unprecedented crime statistics of the city. Despite the fact that the majority of crimes committed are of a petty character such as bag-snatching, pickpocketing etc., the authorities are unable to combat them and public cooperation has been solicited. As the background of this social evil is exclusively an economic one, the city being overcrowded with destitute and homeless people, its eradication may be expected only in conjunction with the betterment of the general situation.

The refugee problem in Hongkong, which assumed tremendous dimensions immediately after Japanese occupation of adjoining territories, is becoming less acute due to energetic activity of the Emergency Refugee Council. The total number of refugees given shelter in various camps now does not exceed 10,000, according to an official communique. Most of the camps have been set up outside the city in beautiful surroundings and are equipped with running water, electricity and sanitation. They compare most favorably with the refugee camps of Shanghai, and one must admit that the whole problem of offering refuge to the thousands of homeless people who suddenly invaded the city when the hostilities moved close to Hongkong's borders, was tackled much more successfully than in Shanghai—perhaps due to the benefit of Shanghai experience. At present, all the efforts of the authorities concerned are directed towards persuading the refugees to go back to their native places in view of the approach of the harvest season, and only those who have no homes to go back to are still remaining in the camps to present a major problem.

China to Buy 300 Trucks For Burma-Yunnan Road

The Chinese Purchasing Commission in London is likely, in the very near future, to sign contracts for the purchase of 300 three-ton and seven-ton motor trucks for service on the Burma-Yunnan highway, according to a *Reuter* message Feb. 3. Payment, it was stated, would be made from the £500,000 credit loan which Britain agreed to make to China in December.

Kaifeng Missions Join in Flood Aid

ALL missions in Kaifeng, regardless of denomination or creed have joined together in the humane task of relief for war and flood victims, according to reports sent in by the secretary of the Kaifeng International Relief Committee.

"Goodwill and unity characterize our work, which extends to every mission in the city," says Mr. H. M. Harris, executive secretary of the committee in his letter to the American Advisory Committee for Civilian Relief in China. "We take a justifiable pride not only in the extensiveness and efficiency of our organization, but also in the harmony and smoothness of our operations. Over sixty missionaries of several nationalities are now in Kaifeng, of whom nearly forty are working in connection with some form of relief. Of these forty, about thirty are Americans."

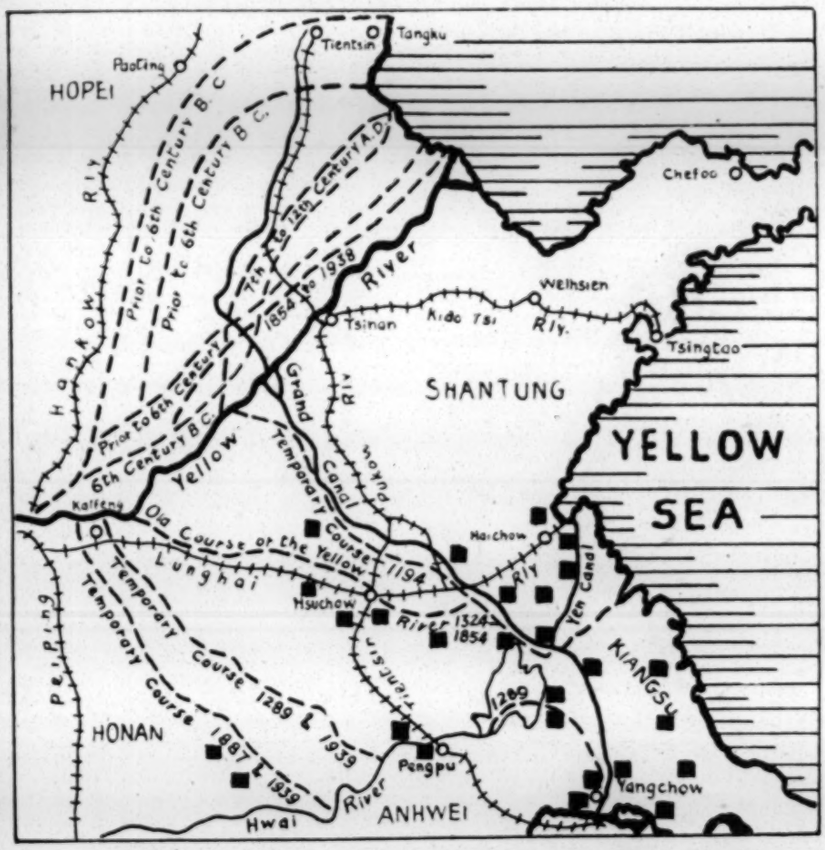
Since September the committee has spent over $43,000.00 in war and flooded areas. Recently it allocated $5,000.00 for making clothing for flood victims. Last summer it took care of some 15,000 refugees and did extensive relief work among wounded soldiers who passed through Kaifeng. The number of serious cases reached the astounding total of 54,000.

The committee is making a fresh appeal for funds to carry on relief work in the flooded areas. "The need for help continues and increases both in the city of Kaifeng and in the flooded areas," says the appeal. "There is terrible destitution now that the weather has become cold."

Indescribable scenes of devastation and misery are told in despatches from the Yellow River flood areas to the offices of the Shanghai International Red Cross and the China International Famine Relief Commission. Stories of burning villages, inundated farms and homeless men, women and children fill the pages of the reports that come to the two relief organizations. In North Kiangsu alone more than two million people are affected by the flood. In Hwaiyuan, Anhwei, the dykes have been broken by the flood waters and the entire southern county is under water. "It is a sort of no man's land," remarks a missionary who has just come from that place.

In his letter to Dr. J. E. Baker, Dr. Calame, delegate for China from the committee of the International Red Cross in Geneva, gave a vivid account of the sufferings of the flood victims in the Yellow River region. He wrote as follows: "In the north and to the east of the new Yellow River, 2,500,000 refugees are miserable, and the number of those who have fled behind the Chinese lines to the west is certainly very much greater and exceeds 3,000,000. The need in the north of the regions I have just travelled is immense. The situation is pathetic and terrifying."

The Ten Courses of the Yellow River



From time to time the Yellow River changes its course, bringing untold suffering to millions of people. Since the time of Yu (2297 B.C.) who after eight years of labor succeeded in bringing to an end a flood that had lasted thirteen years, the Yellow River has changed its course at least ten times. These ten courses are shown in the above map.

Today the Yellow River is carving two new courses. This is the result of the flood of last June, caused by a break in the dykes in Honan. Because of the south-eastward direction of the flow of the flood waters, these two new courses coincide with the two temporary courses of 1289 and 1887.

Due to military operations in the places where the break occurred, repairs to the dykes have not been possible. In the meantime the flood has wrought havoc in north Honan, northwest Anhwei and north Kiangsu. Unless the breaches are closed and an adequate outlet to the sea is found, the conditions of the affected areas will remain serious, and relief will be needed.

Canton Beginning to Show Signs of Life Once More

After over three months' absence—ever since the Japanese occupation at the end of October—Chinese policemen have made their reappearance in certain streets of Canton, *Reuter* reported Feb. 12. This follows the recent success of the Japanese-fostered Peace Maintenance Commission in recruiting nearly 300 men to form the nucleus of a new force. New police stations have been established in various districts. For the present, the policing of the city will be done jointly by the new police force and Japanese gendarmes.

Reminiscent of Nanking, Hankow and other large Chinese cities under Japanese occupation, Japanese shops of all descriptions are springing up in Canton. Several Japanese hotels have also opened, complete with waitresses, while it is reported that the first cabaret will shortly make its appearance in the city. The majority of Japanese shops doing business are of the department-store variety, their stock ranging from beer—Kirin, Sakura and Asahi—to tinned foodstuffs, stoves and bicycles. Foreign imported goods are also available, such as Lipton's tea and Dutch ball cheese. Payment is usually demanded in yen, although the Chinese National and the Hongkong dollar are accepted at the current rate.

Most of the shops and hotels are situated on Canton's main street, Tai Ping Lo, where such well-known Japanese institutions as the Yokohama Specie Bank and Mitsui Bussan Kaisha have also opened offices.

The Japanese-fostered Peace Preservation Committee is making arrangements to reopen all former Municipal butchery centers in order to meet the needs of the population. Much of the meat at present sold in the markets is not properly certified by a health officer. Abolition of the surtax formerly imposed on butcher shops has been decreed by the Committee "in order to lighten the burden of the merchants."

Because of the improvement in conditions, says *Reuter*, the restrictions on coded telegrams, enforced since the occupation of Canton by the Japanese, have been suspended. Senders of such coded messages, however, are in future required to send a copy of the translation to the Canton Communication Department for its records.

Convicts Freed in Japan on National Anniversary

More than 310 convicts, including Shozo Hayashi and Nagamitsu Kawasaki who were involved in the "incident" of May 15, 1932, were released on parole Feb. 11 in connection with the celebration of the 2,599th anniversary of the foundation of the Japanese Empire. According to *Domei*, which reported the release, the prison population of Japan has fallen off by more than 7,000 since the outbreak of the China conflict and now is below 50,000.

Some time ago it was reported that convicts had been released from Japanese prisons, drafted into the army, and sent to various fronts in China. In some quarters, the presence of convict elements in the army was held responsible for many of the excesses committed by the Japanese army in China.

Japan Occupies Hainan Island in Violation of Pledge Given France

APPARENTLY taking advantage of France's preoccupation with the problems created on her home front by the collapse of the Spanish Loyalist cause in Catalonia, which, in addition to bringing hordes of Spanish refugees into French territory is threatening to upset completely the balance of power in the Mediterranean upon which depend the security of France's communications with her north African colonies, Japanese forces occupied Hainan Island on Feb. 10 in violation of pledges previously given the French government.

The landing was undertaken, according to a *Domei* dispatch from Tokyo, by "crack units of the Japanese army and navy." Information received in Chungking and relayed to Shanghai by *Reuter* placed the strength of the landing forces at between 5,000 and 6,000 troops. According to the same source, the first point of landing was at Lingkao, in the northwestern corner of the island, and the second at Chinglankang, in the northeastern corner.

From these two points, where in a "before dawn" surprise move the Japanese got ashore unhindered, the invaders moved forward rapidly and within eight hours had occupied the island's two major towns—Kiungchow, seat of the island government, and Hoihow, port of Kiungchow and the largest town on Hainan. The Hsiuying forts, below Hoihow, were reduced by machine-gun fire and aerial bombing by naval planes.

Resistance Desultory

Dispatches from Tokyo declared the Japanese landing was effected without encountering anything more than a desultory resistance. There was practically no bloodshed during the military operations, *Domei* reported, while the occupation was so swift that would-be looters had no chance to get busy. Property damage was said to be negligible. According to the same source, Hoihow was defended only by Chinese irregulars, equal to about one brigade. Regular Chinese troops, equal to one division and two brigades, under Gen. Chang Ta, had been removed to the Kwangtung-Kwangsi border region on the mainland following the Japanese occupation of Canton last October. In addition to the brigade of irregulars found on the island, the presence was reported of 16 militia companies and a large number of "armed farmers." More than 10,000 rifles had been distributed among the inhabitants, *Domei* said.

The Japanese invaders suffered three killed and two wounded in the eight-hour operations, according to a Tokyo report, while Chinese losses were put at 250 dead "abandoned on the field" and 60 prisoners. Booty taken by the Japanese was said to include three 23-centimeter guns, one 15-centimeter gun, 250 rifles, 5,000 rounds of rifle ammunition, two machine-guns and 200 shells.

Immediately after the occupation, Japanese "pacification squads" went into action, *Domei* reported, while airplanes distributed leaflets urging the population to remain calm. Other leaflets warned that the Japanese forces would deal "mercilessly" with anyone opposing them or aiding hostile elements.

Apparently using Hainan Island as their base, Japanese naval planes subjected Chinese military positions on the Luichow Peninsula, just north of the island, to intensive bombardments, *Domei* reported Feb. 13.

In reporting the occupation of Hainan, the Japanese agency made a point of emphasizing the strategic significance of the move for other powers interested in the Far East. A Feb. 10 dispatch, bearing a dateline reading "With the Japanese Forces on Hainan Island," described Hainan as "strategically dominating the coast of French Indo-China, between British Hong-

"Third Parties"

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kong and Singapore, and flanking the Philippines, 500 miles to the east."

Japanese official circles in Tokyo, however, denied that any threat was implied to France or Great Britain. Rear-Admiral Kanazawa, spokesman for the Navy Ministry, said the Japanese Navy had no aggressive designs against French Indo-China, adding that Japan intended fully to respect French sovereignty in that territory. The landing of Japanese forces on Hainan, he said, had been necessitated by the increased influx of arms and ammunition into China through ports and inlets in Annam and along the Luichow Peninsula.

A Foreign Office spokesmen followed by expressing the hope that the French government will "stop completely" the transportation of arms into China through French Indo-China. The landing on Hainan, he said, did not, in the opinion of the Japanese government, constitute an infringement of the Franco-Japanese agreement of 1907, whereby Japan agreed not to occupy the island. Referring to the notes exchanged between France and China in 1897, when China undertook never to cede Hainan to a third power, the spokesman said that was "simply a matter concerning those two countries alone" and was therefore not binding upon Japan. The Japanese landing, he declared, was intended "for the purpose of exterminating Chinese military forces on the island."

Several Versions Given

Another version was given by a spokesman of the Japanese Embassy in Shanghai, who said the landing was for the purpose of "strengthening the blockade against Chinese shipping in south China, thereby accelerating the downfall of the Chiang Kai-shek regime." To which the Japanese naval spokesman in Shanghai added yet another version, to the effect that the landing was designed to "obtain a firm base" for military operations and for the purpose of curbing the activities of pirates having their lairs on Hainan, from which they engaged in running the Japanese blockade against Chinese shipping.

Hainan Island covers an area of about 13,000 square miles, is situated between 10 and 20 degrees north latitude and 109.30 to 112.30 degrees east longitude, about 250 miles southwest of Hongkong. The population has been estimated at about 2,500,000, of whom 10 per cent are aborigines. The foreign colony consists of 40 Americans, all of them missionaries, excepting Mr. Groff Smith, commissioner of Customs at Hoihow, and his family, in addition to an undetermined number of British, French and Norwegian residents.

While French warships, according to unconfirmed *Domei* reports, were steaming to Hoihow from the Kwangchowwan Leased Territory, the British and French governments were reported to have instructed their ambassadors in Tokyo to inquire of the Japanese government the reasons for, and the probable duration of, the Japanese occupation of Hainan. In a statement issued in Tokyo Feb. 13, the Foreign Office revealed that the French ambassador, M. Charles Arsene-Henry, had sought an explanation for the landing from the Japanese foreign minister, Mr. Hachiro Arita.

Mr. Arita assured the French ambassador, that Japan had no territorial designs on Hainan Island. The occupation, he said, was intended to strengthen the Japanese blockade of South China and its duration would be determined by "military necessity" only.

French consular officials in Hoihow, according to *Domei*, have been assured by the Japanese vice-consul, Tadahisa Matsudaira, that the Japanese authorities guarantee the security of third power nationals and their rights and interests in Hainan. Mr. Matsudaira, until last week vice-consul at Canton, arrived in Hainan in the wake of the Japanese troops, accompanied by three members of the Canton consular staff, and opened a consular office at Hoihow. The Hoihow Customs office was taken over by the Japanese authorities Feb. 13.

Capt J. T. G. Stapler, Commander of the South China Patrol of the U.S. Asiatic Fleet, arrived at Hoihow aboard the *U S S Alden* in the afternoon of Feb. 14 to make inquiries concerning the welfare of Americans residing there and in Kiungchow. Calling on Mr. Tadahisa Matsudaira, Japanese Vice-Consul, Capt. Stapler expressed, according to *Domei*, appreciation of the Japanese efforts to protect American lives and properties. After paying courtesy calls on Japanese military and naval authorities, Capt. Stapler was expected to return to Canton.

Aspects of the Japanese occupation not mentioned in official Japanese statements were given in the Japanese press. The Tokyo *Kokumin Shimbun* said the occupation "is giving a final chance to Great Britain for her reconsideration of the Japanese intention to establish lasting peace in East Asia." The Shanghai *Mainichi* stressed the economic and strategic importance of the island, while the *Tairiku Shimpo* suggested that the Tokyo government should urge the withdrawal of French gendarmes from the Paracels, sent there in July, 1938.

Berlin circles, according to *Havas*, expressed satisfaction at Japan's action, regarding it as a reply to "certain intimidation schemes by the Western democracies." Authoritative observers in Washington, according to the same agency, saw the occupation as a political gesture "and a feeler aiming to find out the exact firmness of the Anglo-French position in the Far East." Well-informed circles in the Philippines, according to *United Press*, thought the capture of Hainan might further diminish Filipino enthusiasm for complete independence from the United States.

Generalissimo's View

In an interview with foreign correspondents in Chungking on Feb. 12, Gen. Chiang Kai-shek said that "the Japanese landing on Hainan Island marks a turning point in the history of the Pacific and is the most important event since the commencement of the Sino-Japanese hostilities." It was a threat to communications between Hongkong and Singapore, Singapore and Australia, and also to the security of the Philippines and represented "the beginning of Japan's naval dominance in the Pacific Ocean."

Continuing, the Generalissimo said: "Having got possession of one half of Sakhalin Island, Japan is now trying to occupy Hainan Island in the hope of frustrating any possible concerted action that might be taken by the British and American navies in the Pacific. If such a scheme goes on unchecked, Japan will next attempt to place herself in a position to control Guam.

"Eventually, she would be able not only to hamper the westward movement of the American Fleet, but also to cut the line of communication with the Philippines.

"For the furtherance of her southward expansion and the dominance of the Pacific, Japan for 30 years has been scheming to build a strategic triangle out of the three Islands. In 1936, when she provoked the Pakhoi incident, her intention was to use this as a pretext to establish herself on Hainan Island. But for fear of international complications, she dared not go any further than this. Now Japan, regardless of the consequences, has invaded the Island. This move is the last desperate military attempt at the conquest of China, if it is not for the purpose of inciting a world war.

Turning Point in Pacific

"After several decades of hesitation, what Japan is now doing is the most important event since the commencement of the Sino-Japanese hostilities, but it is also the turning point in the history of the Pacific Ocean," Gen. Chiang continued. "Japan has thus revealed her inordinate ambition, and I do not see how those countries which have vital interests in the Far East can watch with unconcern this dangerous development."

The Generalissimo then pointed out that to the Japanese Navy, Hainan is the first line of advance in the Pacific in the West, just as Guam Island is in the East. Questioned as to where he thought Japan's second line of advance would be, the Generalissimo smilingly replied that the people in Europe would be able to answer and that particularly the Americans would know.

Asked to what extent he thought the Japanese seizure of Hainan Island would affect peace in the Far East, the Generalissimo answered that the occupation of Hainan Island might be considered to be a counterpart of their occupation of Mukden on September 18, 1931. He said that the effect was the same, irrespective of the fact that one was committed on land and the other on the sea.

He recalled that after the Mukden incident, all the statesmen of the world, with the exception of Colonel Stimson, then American Secretary of State, failed to give it serious consideration. This enabled the Japanese to extend the scope of their invasion continuously, he stated.

"Eight years have now passed," he went on, "and during this period, Japan has created for herself a dominating position in the Orient, and has hyphotized herself into the belief that she is able to conquer the world. Should she be permitted to hold Hainan Island following her invasion of it, I believe that in a short time, the foundation for her planned new air and naval base would be laid. As a consequence, the international situation in the Pacific would undergo a great change. Even if France should then wish to establish a naval base in Indo-China, and the United States should desire to defend Guam, I fear that they would not have the needed time for so doing.

In making the present southward move, the Generalissimo pointed out, Japan did not intend to use it for the termination of the Sino-Japanese hostilities, but obviously had made up her mind to run the risk of sowing seeds of war in the Pacific.

Admits Defence Not Prepared

Asked what defence measures the Chinese government had taken on the Island, the Generalissimo answered that, because of her lack of naval forces, China had not given much consideration to the defence of her coastline, but that her land forces had made sufficient preparations, and would do their utmost to prevent the Japanese from occupying the Island. As to a possible Japanese attack on Pakhoi, the Generalissimo stated that "we have taken necessary precautionary measures, and are ready to offer strong resistance."

"All military observers," he went on to say, "hold the same opinion—that a Japanese attack on Pakhoi would only lead to Japan being placed in a more disadvantageous position, without compensating benefits in her war of aggression."

Questioned about the effect of the Japanese landing on Hainan Island upon the Sino-Japanese hostilities, the Generalissimo replied: "It has little effect on our war of resistance. The issue will be fought out on land, and the occupation of the Island would be of no consequence."

Nippon Airmen Bomb Sianfu and Lanchow

Sian, capital of Shensi province, was raided by Japanese army aircraft on Feb. 13. According to *Domei*, bombers successfully attacked Chinese military positions at the "important 'Red Route' terminus." Chinese airplanes were totally absent and the raiders met no opposition.

Japanese army aircraft, according to official claims, shot down 18 Chinese planes and destroyed 20 grounded machines in a raid on Lanchow, capital of Kansu province, on Feb. 12. All the raiders returned safely to their bases after attacking what was described as "one of the biggest Chinese air bases."

Kuyuan, in eastern Kansu, was bombed by 20 Japanese airplanes on Feb. 9, according to a *Kuo Min* dispatch from Lanchow, which said scores of bombs were dropped on the residential area, exacting a heavy toll of civilian lives.

Review Map by P. C. Chen

Two squadrons of Nipponese army planes raided Kharachai, northwestern Shansi, headquarters of Gen. Ma Chan-shan, on Feb. 10, according to a *Domei* dispatch from Peiping. Army air officers, the dispatch said, received a report that Gen. Ma was holding a secret military conference in the small town. Hence the attack.

Nanchang, capital of Kiangsi province, was raided Feb. 8. More than 10 bombs were dropped, according to *Kuo Min*, destroying many buildings, including the Y.M.C.A. and the offices of the *Hua Kwang Jih Pao*. Ten people were killed.

Reports received in Hongkong from Haiphong state that over 1,000 American trucks are rusting on vacant fields awaiting permission to move towards China. The price per truck is given as U.S.$1,000 and the total idle capital at over U.S.$1,000,000.

The French authorities, the reports continue, point out that they prove their neutrality by preventing war materials being transported via Haiphong to China.

Japanese quarters are, however, not satisfied with this declaration, believing that the French merely held up the American trucks, but are permitting the transport of French trucks.

Fragments from a Japanese Soldier's Diary

BY AGNES SMEDLEY

IN almost every battle between the Japanese and the New Fourth Army, the Chinese capture all kinds of trophies. Among these are often charms, documents, military maps, arms and ammunition, coats, blankets, food supplies, and diaries. The New Fourth Army now has more than twenty diaries taken from the bodies of the Japanese dead or from their packs. In early November, a New Fourth Army detachment in western Anhwei north of the Yangtsze River, engaged a Japanese force in battle. Among the documents which it sent to New Fourth headquarters at the time were a number of diaries. One of these was a small booklet which began on December 13, 1937, and ended on February 18, 1938. The book was then exhausted and the Japanese seems to have continued in another. However, this second booklet we cannot find.

The diary before me was written by Takemasu Enyu, whose home was at 241 Funairi Street, Hiroshima City, Japan. The man's gas mask is number 21351, and the name of his sergeant, mentioned once or twice, was Goroyoda Itsuwo. The Enemy Work Department of the New Fourth Army has translated extracts from this diary into Chinese, and my interpreter and I have done them into English. Most of the diary notes are of no interest or importance and would be too long to translate. The following are extracts written while this soldier was in the Soochow-Tanyang sector along the Shanghai-Nanking railway:

December 13—We bring out our Japanese wine and beer and are in the highest spirits. But always, after a little while, fights begin and end in bloody tragedy . . .

December 22—Market prices must also be dictated by us. If not, we may threaten and then the merchants are forced to listen to us.

December 24—Two garrison soldiers of Soochow have disappeared . . .

December 25—Nothing to do. I feel homesick and am anxious for a letter from my family.

December 30. Stomach-ache last night and didn't have supper. My health is bad. Today even a little pork turns my stomach again. Got up at 7. Asked for leave of absence to go to the clinic. Bring back medicine and rest in my room. I feel very miserable when I get sick during wartime.

December 31—Because it is New Year I went to the market to confiscate beef and bean cake . . .

January 5—On my way back I bought a box of bean cakes and paid 20 instead of 50 cents.

January 6—Out to confiscate things. Took straw from a Chinese mandarin family. It was a miserable scene . . .

January 7—Last night I again dreamed of my father's death. If it is not true, it would be fine. Said a prayer for him and went to bed.

January 8—Pulled Chinese passers-by in from the street to work. At the end I gave them two or three cigarettes each. The cigarettes I also took from Chinese passers-by in the street. Their manner was miserable.

January 9—Wish all are safe in my homeland, and live well . . .

January 13—Order Chinese to bring us some fuel. Confiscate some wine and get a little drunk. In the afternoon take the houses of the people for our troops. Went downtown and bought two boxes of bean cake. Paid 30 cents instead of 60. The shopkeeper led me to a place where I captured a jar of wine.

January 15—Confiscated some wine from a Chinese house.

January 16—Caught a Chinese civilian for a cook.

January 17—Confiscated things near the city and got ten pigs from the people . . .

January 18—In the afternoon we reached Tanyang and used the dormitory of the Bank of China as barracks. On duty as cook. Ordered some Chinese in to work for me . . . After supper I got a letter from home for the first time. How joyous it is to get some word from my home town!. . .

January 19—Confiscate pigs and cows. Since eight at night my heart has been sad.

January 21—I asked the Corporal of the ——gendarme unit about the Kuyung situation. He said that within five li (Japanese li) of us there are still defeated remnants.

January 25—How big the Yangtsze is! It surprises me.

February 7—Am informed by garrison soldiers that we are still often attacked by the enemy in Chuhsien, Saho and Changbushan.

February 8—Execute a Chinese by shooting.

February 9—Out of bed at 7. Immediately begin work. In the afternoon burn down the Chinese houses near the factory and warm ourselves. Then we had dinner.

February 11—Ordered to loot and kill all the Chinese near the factory. Gambled after supper . . .

February 12—As reported by soldiers from the front, fighting is fierce in Hwaiyuen and Fengyu. The enemy is stubborn and our Army is having much trouble.

February 13—Near sunset. I don't know why my heart suddenly feels so sad after I come back from moving around the vast wilderness of China.

February 14—In the afternoon I thought of conscripting things, but I could not because I was ordered on sentry duty.

February 15—No dream for a long time. Last night I suddenly dreamed my wife had a baby. I seemed to be at home . . . During supper it is very noisy and there is much drinking, but I could not be interested and talked with S and sighed for a long time.

February 16—The defeated remnants have fought with us. It made my heart tremble. I felt very sad. Supper at six. I don't know why my heart is so very empty and extremely discouraged.

February 18—Confiscating section came back with captured ducks. A part did not return by dark. However, at eight they came straggling in. The defeated remnants had attacked and fought with them.

With the New Fourth Army

Above, Agnes Smedley being entertained by Yuan Kuo-ping, head of the Political Department of the New Fourth Army. Below, war trophies captured by the New Fourth. The gas mask, of German manufacture, is marked with a Swastika sign.

British, U. S. Sailors to Escort Kuling Evacuees

British and American sailors will be dispatched to the mountain resort of Kuling to escort down the Lushan mountain third-power nationals evacuating to Kiukiang at the request of the Japanese military authorities, according to *Domei*.

A decision to this effect was reached in Kiukiang Feb. 11 at a conference between Lieut.-Col. Ryozo Sakurai and Vice-Consul Kikuji Komori, representing the Japanese, and Mr. B. MacDermott, British Vice-Consul at Hankow, and Mr. J. Davies, American Vice-Consul, also from Hankow. The two consular officials arrived at Kiukiang in the *U.S.S. Oahu*. The British gunboat at the Yangtsze port is H.M.S. Ladybird.

Negotiations to obtain safe conduct through the Chinese lines for the foreign evacuees, who have been given until Feb. 20 to leave the mountain resort by order of the Japanese army, were understood to be under way in Chungking between British and American officials and representatives of the Chinese government.

A message to the effect that the Japanese had agreed to postpone the attack on Kuling until February 20, enabling foreigners wishing to evacuate to complete preparations, was broadcast from Radio Station ZBW in Hongkong Feb. 13, to the foreigners at present living at the resort.

North China Salt Company to Be Established Soon

Capitalized at $30,000,000, a North China Salt Producing Company will be shortly established by the North China Development Company, according to a Chinese dispatch. Half of the capital will be subscribed by the North China Development Company while the other half will be provided by Chinese and Japanese investors. Development to the fullest extent of the salt producing area along the Gulf of Peichili and to the north of Lienyun harbor is being studied by the company which aims to produce 1,000,000 tons of salt a year, the report said.

Nippon Diet Passes 1939-40 Ordinary Budget

Without a dissenting vote, the House of Representatives in Tokyo on Feb. 13 approved the Yen 3,694,000,000 ordinary budget for the 1939-40 fiscal year. It still has to pass upon an extraordinary military expenditure appropriation amounting to Yen 6,000,000,000, in addition to a supplementary budgetary bill for Yen 1,300,000,000 earmarked for the replenishment of military equipment.

Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

January 29

Heavy fighting breaks out again in South Shansi; Japanese troops at Chihsien, west of Linfeng, steadily pushing westwards towards Yellow River. Main Body of Chinese troops on east bank of the River said to have withdrawn to Shensi side in the vicinity of Yiehuan. Ice on the River dynamited by the Chinese, frustrating Japanese attempts to cross. Chinese troops operating behind Japanese lines reported to have recaptured Chihsien.

Marshal Wu Pei-fu issued statement, declaring that prolongation of hostilities would ruin China and could do no good to Japan; statement made in connection with Japanese claims that he had agreed to head a national salvation peace move. Mershal Wu made no criticism of National Government or General Chiang Kai-shek, with whom he was said to have communicated recently.

Yunnan Border Industrial Corporation, capitalised at $50,000,000, reported to have been organized by Hu Wen-hu, better known as Aw Boon-haw, millionaire Chinese merchant at Singapore. Work of the new firm will be confined to mining and land reclamation.

New airlines from Chungking to Sian (capital of Shensi), Lanchow (capital of Kansu) to Liangchow and Lanchow to Hsining (capital of Chinghai) inaugurated by Eurasia Aviation Corporation today.

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January 30

Fifth Plenary Session of Kuomintang Central Executive Committee which closed today decided to create Supreme National Defence Council under the chairmanship of General Chiang Kai-shek. Purpose of new organ is to unify command of party, military and political affairs. Yeh Chu-tsang appointed new Director of Central Publicity Council, succeeding Chou Fu-hai, who last month fled with Wang Ching-wei to Hanoi. The Session closed with lengthy manifesto, reviewing the general situation.

Replying to interpellations in House of Representatives, Lt.-Gen. S. Itagaki, Japan's War Minister, declared that Japanese forces in China were preparing for prolonged stay; denied reports that the Japanese Army intended to evacuate Central and South China areas now under occupation. Such rumors, he said, were due to the statement made by Prince Konoye on Dec. 22 last that Japan had no territorial ambitions in China. Admiral M. Yonai expressed similar views on the subject.

Gen. Wan Li-huang, army commander, said to have been selected by Chungking as new Chinese Ambassador to Moscow, replacing Gen. Yang Chieh. Report officially unconfirmed.

Addressing Chinese Mohammedan Association at Chungking, Gen. Pai Chung-hsi, well-known Kwangsi commander, urged the 50,000,000 Chinese Mohammedans in China to organize themselves and give their full support to the Government in war against Japan. Gen. Pai declared that anyone who proposed peace would be denounced by the entire nation.

Dr. M. I. Ting, woman superintendent of Peiyang Hospital at Tientsin, who was arrested by the Japanese several weeks ago, reported released. Reason for her arrest was due to her refusal to permit the hospital nurses and attendants to march in parades ordered by the Japanese army.

January 31

Six Japanese planes bombed Chengchow, important junction point Lunghai and Peiping-Hankow Railways, on Jan. 28, according to report received at Chungking. Twenty-four bombs dropped.

Radio telephone service inaugurated yesterday between Urumchi and Chungking. Urumchi, better known as Tihua, is capital of Sinkiang province.

In areas remaining under Chinese control, exports exceeded imports by $69,000,000 in 1938, according to announcement by Ministry of Economic Affairs.

British airliner Delia of the Imperial Airways, which left Hongkong this morning, fired on by Japanese warships near Waichow Island, in the Gulf of Tonkin. Plane, undamaged, arrived safely at Hanoi.

Japanese reports alleged that Marshal Wu Pei-fu agreed to head the puppet Pacification Commission at Kaifeng. Marshal Wu recieved foreign correspondents at Peiping.

Sir Archibald Clark Kerr, British Ambassador to China, arrived at Tientsin from Shanghai on tour of inspection.

Chinese guerillas operating near Kating, along Nanking-Shanghai Railway, destroyed a Beechraft biplane operated by the Japan Airways Company yesterday, according to report received at Shanghai. The plane, which took off from Nanking earlier in the day, developed engine trouble and made forced landing east of Kating, where guerillas said very active.

Present Japanese cabinet under premier Baron Hiranuma described as "unprecedentedly unpopular" by Ichiro Kono, Member of Seiyukai party, in interpellation in the Diet yesterday.

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February 1

Twenty-one Chinese planes bombed Japanese cavalry units on outskirts of Canton on Jan. 27; Japanese warships near Whampoa also bombed, according to reports received at Chungking.

Japanese forces in West Hupeh renewed attack on Jan. 30 and recaptured Chingshan. Fighting now taking place at Sunchiao, northwest of Chingshan.

Long-distance telephone service from Chungking to Kunming and Lanchow shortly to be inaugurated.

Japanese naval units attempted to land at Tongkawan near Chungshan District in Kwangtung, but were repulsed with a loss of two pinnaces and several score men.

More British loans to China likely, according to the Marquess of Zetland, Secretary of State for India and Burma in speech at Cambridge yesterday.

Japan's determination not to deal with Chinest National Government reiterated by Premier Baron Hiranuma in speech at Diet yesterday, declaring that it was "too late for Gen. Chiang Kai-shek to repent."

Gen. Wang Teh-lin, one of the leaders of Chinese volunteers in Manchuria, died on Dec. 12 at age of 64, according to report received at Chungking.

Marshal Wu Pei-fu, who received foreign correspondents Peiping yesterday, failed to make his position clear. He said that he had been asked by Chinese and Japanese friends to lead a peace movement. "But to succeed," he said, "I must have real power and the ability to enforce peace." Marshal Wu's conditions for emerging from retirement included: 1. formation of large Chinese army, completely under his command, and 2. return of real power in China to Chinese hands. 3. withdrawal of Japanese troops from Chinese soil.

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February 2

Sixty five foreign residents in Kuling, Kiangsi mountain resort, warned to evacuate the area within one week by Japanese military authorities, declared Japanese army spokesman in Shanghai. Notification to this effect said to have been conveyed to various consular representatives in Shanghai. Deadline for evacuation set at Feb. 10. Of the 65 foreigners 37 are British, 12 American, 9 German and the remainder of various other nationalities.

Foreigners in Hankow must produce identification cards when passing sentries beginning from Feb. 10, according to official notice issued by Japanese consular authorities.

Sporadic fighting continues along west Hupeh front. After vigorous Chinese counter-offensive, Japanese troops in the vicinity of Tienmen said withdrawing towards Tsaoshih.

Occupation of Waichow Island, about 30 miles due south of Pakhoi, in the Gulf of Tonkin, by Japanese navy, officially announced in Tokyo.

During 1938, Japan purchased U.S.$11,062,447 worth of American aviation materials, while China's purchases amounted to U.S.$6,391,713, according to figures released by the U.S. War Department yesterday.

Marshal Wu Pei-fu reported incensed at the misinterpretation by the Japanese of his statement made at interview with foreign press correspondents on Jan. 31. Marshal Wu did not accept the Japanese terms as alleged in Japanese reports. He was said to have demanded the withdrawal of Japanese troops from China; otherwise, he would not come out of retirement.

Chinese military spokesman at Chungking declared that Marshal Wu's statement had been mutilated by the Japanese to suit their own purpose. He said that Marshal Wu would only agree to emerge from retirement if the Japanese authorities agreed to restore political integrity of China.

Japanese armies exploit Shansi on large scale, according to **Ta Kung Pao** report. They are said to be operating more than 30 industries in the province, including coal and iron mines, cotton mills, iron works, woolen mills, tanneries, etc. Farmers in Central Shansi forced to grow poppies.

*
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February 3

Yeh Chu-tsang, new Director of Central Publicity Council, denied reports that the recent Kuomintang conference made changes in the policy and personnel of the Government. There had been no change in China's policy since the Lukouchiao Incident and this policy would not be changed in the future, asserted Mr. Yeh.

Chinese circles at Chungking express opinion that the Japanese may shortly launch attack on Chengchow, at the junction of Lunghai and Ping-Han Railways. The attack believed likely to be made from two directions, namely, from the west along the Lunghai Line and from the north along the Ping-Han Railway. Meanwhile, it is also believed possible that the Japanese may attempt to cross the Yellow River to threaten Chengchow from the North.

Lone Chinese plane flew over Waichow Island on Jan. 31 to observe movements of Japanese warships. The machine met with heavy anti-aircraft fire from Japanese warships, but returned to its base safely.

Chinese Government Purchasing Commission at London said prepared to buy 300 trucks, payable from the British credit to China of £500,000 agreed upon in December, for service on Burma-Yunnan highway, according to **Reuter**

report. British loan to China to stabilize Chinese currency mooted, but nothing definite has yet emerged.

Possibility of calling an international conference in Tokyo to explain to third Powers Japan's attitude towards the China affair hinted by Hachiro Arita, Foreign Minister, in the Diet.

Thirty-three public bodies in North China issued circular telegram, appealing to the National Government and Chinese people not to be misled by Japanese reports of alleged peace moves. They denied rumors that Chinese public bodies or prominent individuals like Marshal Wu Pei-fu were urging peace. Japan said using the alleged peace moves to create internal dissension among the Chinese. Continuance of war urged in order to attain final victory.

Shao Li-tze, former Director of Central Publicity Council, in speech at Chinese Foreign Policy Association at Chungking yesterday, urged Anglo-American co-operation to check Japanese conquest of China.

145 Chinese, including one woman, arrested by the Japanese in December at Shanghai, Nanking, Hangchow and other occupied cities, according to Japanese report.

Several students of Yenching University American Missionary institution, arrested by the Japanese in Peiping on trumped-up charges, according to letter circulated among the alumini of the institution "Third degree" methods said applied to the youths to extort confessions.

Stricter Rules Provided For Foreigners in Japan

Revised, stricter regulations governing the admission of foreigners to Japan are to become effective in May of this year. The new rules provide entrance and tourist fees, and heavier penalties for violations of the regulations. It is explained that 30,000 to 40,000 foreigners come to Japan each year, either to live or visit. The present foreign resident population is estimated at about 30,000, including 14,000 Chinese.

Under the new rules, foreigners suspected of immorality, Communism or espionage may be expelled more summarily than under the old regulations, although better protection is to be accorded those foreigners whose visit or stay in Japan is considered perfectly regular.

The existing regulations require a foreigner to register with the police only after he has been in Japan for 90 days. Then he may remain permanently. The new rules will require registration at the end of 30 days, a second registration at the end of 60 days, and annual registration every year thereafter.

Violation of the entrance regulations will be punishable by penalties ranging up to three months' imprisonment and a fine of Yen 100. The entrance fee will be Yen 20 and there will be another fee of Yen 10 for "passing through."

Native Products Not to Be Shipped to Enemy Areas

Native products must not henceforth be shipped to areas under Japanese military occupation, according to an order issued by the Ministry of Economics in Chungking. These occupied areas include 43 districts in Kiangsu and 14 districts in Chekiang. Shanghai is mentioned as one of these areas. The Trade Readjustment Commission has been instructed to purchase all available native products in Kiangsu and Chekiang, for shipment to Hongkong for export.

Totalitarian Party Formed in Japan

The Social Masses Party, only "proletarian" political party in Japan, and the Tohokai, Rightest agrarian group in the Lower House, merged on Feb. 10 to form a "totalitarian party" which would challenge the predominating influence of the Minseito and Seiyukai, the two major parliamentary groups, according to a *Domei* dispatch from Tokyo.

The fusion movement, which originally was to have included the Kokumin Domei, a minor party with Rightest leanings, members of the defunct Showa Kai, and independents of the Second Lobby, was narrowed down to a Social Masses-Tohokai combine following refusal of the other small parties to join the merger.

A joint statement issued by the components of the new "totalitarian party" noted the differences in the history and programs of the two parties, but declared that Japan now was "undergoing a great ordeal in order to attain her lofty mission of settling the China conflict satisfactorily and of reconstructing East Asia."

"The only way to overcome the difficulty now confronting Japan lies in strenuous endeavors by the entire nation to remain true to time-honored tradition by rendering unswerving devotion and united service to the Throne and ostracizing government by a privileged few, by cliques or by classes, and by giving full play to constitutional government," the statement said.

Mr. Isoh Abe, chairman of the Executive Committee of the Social Masses Party, and Mr. Seigo Nakano, president of the Tohokai Party, signed the statement.

The new party was given impetus Feb. 14 when the Nippon Noson Kakushin Kyogikai (Japan Agricultural Village Rehabilitation Council) issued a statement announcing its intention to participate. The council, which is sponsored by Count Yoriyasu Arima, former Minister of Agriculture and Forestry in the Konoye Cabinet, and Mr. Yotaro Sengoku, Vice-President of the Central Cooperative Society, has considerable influence over agriuclrural villages throughout the country.

S.M.C. Report Shows More Factories Opened

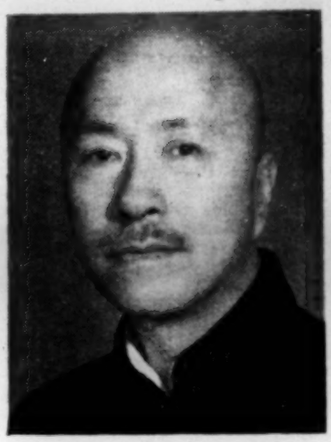
Three hundred and fourteen smaller and 25 medium-si zed plants opened for operation in Shanghai during the month of January, according to the report of the Shanghai Municipal Council, Industrial Section. Of these, 62 are in districts "North of the Creek," 162 in the Western, Central and Northern district, and 115 in the Western extra-Settlement roads areas.

Outside the limits of the International Settlement, the report stated, there is indication that several new industrial projects are in prospect, among these being a rubber shoe factory and four seasoning powder factories.

The general index of the cost of living of Shanghai workers for January, 1938, was 159.32, showing an increase of 2.83 per cent., as compared with December, 1938, and an increase of 45.48 per cent. as compared with July, 1937, the pre-war month. When the group indices are compared with those of the preceding month, the rent index shows a rise of 4.48 per cent, food 3.28 per cent, fuel and light 0.07 per cent., and the clothing index, a drop of 2.52 per cent.

Who's Who in China

Li Hsuan-kung, publisher; born at Foochow, Fukien, 1876; Senior Licentiate with "Chujen" degree under the Manchu Regime; Secretary of the Grand Secretariat; Prefect of Kiangsu Province;



李宣龔字拔可
Li Hsuan-kung (Li Pah-ko)

Magistrate of Taoyuan and Shangyuan Districts, Kiangsu; following the establishment of the Republic, he retired from political life and joined the Commercial Press, of which he is at present Manager and member of the Board of Directors; address: The Commercial Press, Ltd., Honan Road, Shanghai.

Pope Pius XI Dies After 17-Year Reign

The College of Cardinals is expected to meet in Vatican City Feb. 27 or 28 to elect a new Pope to succeed Pius XI, who died Feb. 10 at the age of 81, one day before completion of the 17th year of his reign as supreme pontiff of the Roman Catholic Church. Cardiac asthma and bronchial pneumonia caused the death of Pius, who had been ailing for a considerable time. The funeral was held in St. Peter's Cathedral amid solemn rites on Feb. 14.

Messages of sympathy have poured into the Vatican from all over the world. Among those cabling condolences were China's President Lin Sen and Generalissimo Chiang Kai-shek, who in common with other sympathisers, paid a high tribute to the late Pope for his efforts to promote world peace.

While the German government displayed what *Reuter* termed "a strictly correct attitude" toward the death of the Pope, the Nazi paper, *Der Angriff* published an obituary in which it said that Pius "began as a spiritual reformer and died a political adventurer, who plunged his church into a serious crisis. He lost his race with the political fate of Europe. After the foundation of the fascist empire, Pope Pius broke down mentally and physically. Italy's friendship with Nazi Germany vexed him definitely. The Anschluss in Austria and the reformation of Czechoslovakia were all serious defeats in his world political system."

Previous German hints that the new Pope should be a German—hints which were made in Nazi Germany—were answered Feb. 14 by the Rome newspaper *Il Telegrafo*, generally regarded as reflecting the views of the Italian foreign office. Favoring the selection of an "evangelical" rather than a "diplomatic" Pontiff, the paper, ruled out any choice for the Papacy other than an Italian.

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Nanping	*Kian*	CHUNGKING	*ICHANG*
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Pucheng	Chengchow	*Wanhsien*	Changsha
Santuau	Kaifeng (Nanyang)	Ipin	Changteh
Kulangsu	*LOYANG*	Vaan	*Hengyang*
CANTON	Sian	*Kiangtsing*	*Lingling*

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Men and Events

Sir Archibald Clark-Kerr, British Ambassador to China, who has been in Peiping and Tientsin for several days is scheduled to return to Shanghai this week.

*

Carl O. Hawthorne, U. S. Vice-Consul, has reopened the American Consulate at Tsinan, Shantung, which was closed temporarily as a result of fighting in that area several months ago.

*

Capt. Thiele, commander of the Nazi Training Ship, "Horst Wessel" has been appointed Naval Attache of the German Embassy in Tokyo, in succession to Capt. Joachim Lietzmann, who has been recalled.

*

Whether or not Japan will participate in the Helsingfors Olympic Games, will depend upon developments in the Sino-Japanese conflict, according to a report made by Hisatada Hirose, Minister of Public Welfare, in the Tokyo Diet on Feb. 11.

*

A portion of the fund of $150,000 contributed by Sir Victor Sasson for the support and rehabilitation of Jewish refugees in Shanghai, is being used to finance instruction in the English language. Classes are being conducted in the Missions Building.

*

Hidenari Terasaki, formerly Japanese Consul and Charge d'Affaires at Havana, Cuba, has been appointed Consul and Charge d'Affaires in China, according to report from Tokyo on Feb. 9. Mr. Terasaki previously served in the Japanese Consulate here from 1932 to 1937.

*

The engagement has been announced in London of Miss Frances Bridget Mann, daughter of Mr. and Mrs. H. M. Mann of Shanghai, and John Hamilton Fleming, son of the late Capt. James Hamilton Fleming and Mrs. Hamilton Fleming of Cricket Court, Ilminster, Somerset, England.

*

The Nazi authorities on Feb. 10 executed a German named Theophili Dziergawa, following his conviction by a war tribunal for communicating military secrets to a foreign power. Dziergawa was in military service at the time, according to the *Reuter* report from Berlin. He was the sixteenth German to be executed this year.

*

An attempt will be made this week, in the British House of Lords, to amend the so-called "Official Secrets Act," which required persons who had come into possession of official secrets, to disclose the source of same. The law had aroused severe criticism on the part of journalists' organizations and civil liberty societies on the ground that it threatened the freedom of the press.

*

Chang Tsung-sui, a Chinese Indemnity scholar from Hangchow in Chekiang province, was awarded the degree of Doctor of Philosophy at Cambridge University in England. Dr. Chang was graduated from Tsinghua University in 1934, following which he engaged in mathematical research. He went to England in 1936 at the age of 22 where he became a student in the class of Prof. K. H. Fowler. The subject of Dr. Chang's thesis was "Theory of alloys and metals and the application of the Quantum theory to it." Dr. Chang is now studying at the Institute of Theoretical Physics at Copenhagen, Denmark.

The House of Representatives of the U. S. Congress on Feb. 9 voted an appropriation of U. S. $100,000 to finance the committee which has been engaged for some time in investigating "un-American activities." The committee, which is headed by Congressman Martin Dies of Texas was largely responsible for uncovering the activities of German and Japanese spies in the United States.

*

Col. F. K. Simmons, m of the British General Staff in Palestine, has been appointed Commander of the British troops in the Shanghai area, taking the place of Brigadier A. P. D. Telfer-Smollett, who departed from Shanghai last week to become Lieut.-Governor of Guernsey in the Channel Islands. Col. Simmons will have the rank of Brigadier General while in Shanghai.

*

Miss Frieda Utley, well known British writer, who spent considerable time in China last year, and who was recently lecturing in the United States, has returned to England where she is engaged in writing a book dealing with the situation in the Far East. Miss Utley is also collaborating with Morgan Young, former editor of the *Japan Chronicle*, in the publication of a bulletin dealing with the Far East.

Charlie Chaplin, well known film star, will shortly release his first "talkie" film, entitled "The Dictators." He stated that while the story will be concerned with dictators and the present political situation, the chief object of the picture would be to make people laugh. He said that the present situation "provided an exceptional vehicle for comedy since people with an over-abundance of dignity and an over-supply of power, always had been, in the end, a target for laughter. Chaplin will play the dual role of dictator and inmate of a concentration camp, who resembles him exactly.

*

An Italian marine contingent consisting of 140 officers and men from two Italian warships visiting at San Jose, Costa Rica, Central America, was greeted by a flood of leaflets demanding that the Italians "get out of here, you assassins of women and children." The Italian warships are on a good-will tour of Central and South American ports. Two weeks ago when the warships visited Panama City the officers and men were splattered by a shower of rotten eggs thrown by anti-Fascist demonstrators. It was necessary both at Panama City and San Jose to provide special police protection for the Italian "good-will" visitors.

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The Steuben Society, most important group of American citizens of German origin, has broken off relations with the organization which includes most of the German bodies in New York on the ground that the New York group adopted an attitude incompatible with the American conceptions of liberty. The Steuben Society, formed many years ago, took the name of Baron Von Steuben who assisted George Washington in the American Revolution.

*

Ginjiro Fukiwara and Shiro Imai, who are connected with the Ikegai Iron Works in Japan, are said to be working on a plan to provide technical training and employment for 10,000 Japanese youths who are now confined in reformatories. They have asked the Government for Yen 10,000,000 to establish an engineering school to train wayward boys for work in their factory which they are striving to transform into the "Krupp Works of the Far East."

*

The British authorities in Singapore have banned a number of American and Chinese films on the grounds of politics or excessive gun-play. Among the films banned were, "All Quiet on the Western Front," by Remarque; "World Condemns Pogroms," by Paramount; "Sworn Enemy," by M. G. M.; "The Affairs of Annabel," by R. K. O.; "Border G-Men," by R. K. O.; "Crime School," by Warner Brothers. The Chinese films were banned on the ground that they were either "political or 'propaganda."

*

The South Fukien Theological College, previously located at Changchow, near Amoy, has been removed to the interior city of Yung Fu, Fukien in order to avoid complications with the Japanese. According to a report from the Rev. L. Gordon Phillips of the London Mission, the South, Fukien Theological College had just completed new buildings at Changchow, which the school was forced to evacuate. Fukien Christian University has also moved to Shaowu in the mountainous region between Fukien and Kiangsi.

*

Richard Halliburton, American traveler and writer, who was proceeding to San Francisco from Hongkong in the Sea Dragon, a specially outfitted Chinese junk, has abandoned the project, according to report from Hongkong, giving bad weather and illness among the crew as the reason. The junk had reached a point 170 miles west of Keelung, Formosa. Halliburton had hoped to reach San Francisco for the opening of the Exposition in about 150 days. There were 10 members aboard in addition to Halliburton.

*

The Methodist Shu Teh Girls' School at Chungking was seriously damaged by the Japanese air raid on Chungking on Jan. 15. Fortunately the raid occurred on Sunday when the school was closed, otherwise there would have been many casualties among the students. Two members of the Mission, Misses Katherine Boeye and Dorothy Jones, who had been standing in front of the missionary residence, ran to the basement of the building and were uninjured although the front of the building was seriously damaged. One bomb, thought to have been intended for the school and house next door, fell in the yard and did not do much damage. In addition to the damage to school and church property at Chungking, the campus of Chekiang University, temporarily located at the town of Yishan in northern Kwangsi province, near the Kwangsi-Kweiyang highway, was badly damaged in a Japanese air raid early in January. There were no casualties among students or faculty.

The city of Chungking, present seat of the National Government, has a population of 344,000, according to a recent census, which did not include officials and staffs of government officers.

*

A robber and kidnapper named Liu Tze-yu and three associates were arrested in Peiping on Feb. 12 charged with looting the Ming Tombs of several gold basins and gold chopsticks which were sold in Peiping.

*

Itsuro Mori, member of the Osaka staff of *Domei* was killed in battle on the Hankow front on Feb. 4, while serving as a sergeant. Mr. Mori was the second member of the *Domei* staff to be killed while serving as a soldier while five others, including two cameramen, were killed in the course of their duties.

*

Admiral Kanji Kato, former chief of the Japanese naval general staff and a veteran of the Russo-Japanese War, died at Atami, Japan, on Feb. 9 at the age of 69, following an apoplectic stroke which occurred one day after he had completed writing his memoirs of the London Naval Conference.

*

Pastor Mueller of the German Evangelical Church, who opposed the Nazi "reform" measures, was found guilty on Feb. 9 of "misusing the pulpit," and was removed from office. The trial which lasted for several days, was held before a so-called Evangelical Consistory which was controlled by Herr Kerrl, Reich Minister for Church Affairs. It was charged, according to the report, that Pastor Mueller's prayers for peace were interpreted by the Nazis as political. Some 2,000 Evangelical churches in September last year held peace intercessions, the liturgy of which declared, "God's will is suppressed and God's faith is neglected in Germany."

The Convocation of Oxford University, on Feb. 2, voted the sum of £100 as a contribution to the fund for rebuilding and refurnishing Chinese university libraries which have been destroyed by Japanese bombers.

Harry McGee of the British-American Tobacco Company was married on Monday Feb. 13, to Miss Barbara Bernard, daughter of Mr. and Mrs. H. V. Bernard of Shanghai. The ceremony was held at the home of Mr. and Mrs. W. H. Owens and was followed by a dinner-reception at the Park Hotel. Mr. and Mrs. McGee sailed on the *President Coolidge* for the United States and will make their home at Rocky Mount, North Carolina.

*

Invited by Yozo Ouchi, president of Tung Wen College, Japanese institution in Shanghai, to become a student supervisor, Fumitaka Konoye, 24-year-old son of former Japanese Premier Prince Ayamaro Konoye, will sail for China on Feb. 21. Young Mr. Konoye returned to Japan last summer after studying for four years at Princeton University where he was captain of the golf team. During his father's tenure of office, he served as secretary to the Premier. In this capacity, he toured North and Central China late last year.

*

A notice under the signature of Comm. L. Neyrone, Consul-General for Italy and Senior Consul, and published by authority of the Treaty Power Consuls, announces that Wednesday and Thursday, April 12 and 13, 1939, are fixed upon for the election of members of the Shanghai Municipal Council and for the election, by registered owners of land in the Foreign Settlement, of a Land Commissioner for the Municipal Year 1939. Nomination papers must be delivered to the secretary, Shanghai Municipal Council, Administration Building, 209 Kiangse Road, not later than 12 o'clock, noon, on Tuesday, April 4, 1939.

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Dr. Bernard E. Read of the medical research department of Lester Institute was scheduled to speak before the members of the American University Club on Friday, Feb. 17 at luncheon at the American Club on the subject of "Old Chinese Medicines and Modern Western Science."

*

Richard S. R. Hubert, passenger agent of the Canadian Pacific Steamships, was scheduled to present a travelogue dealing with a trip through the Netherlands Indies, before the members of the Royal Asiatic Society of Shanghai on Thursday, Feb. 16. There was also a display of Balinese and Javanese art objects. Mr. and Mrs. Herbert are planning a brief trip to Canada and the United States shortly.

*

Dr. George Walker Buckner, Jr., editor of The *World Call*, magazine of the International Disciples of Christ, published in Indianapolis, Indiana, arrived in Shanghai last week on his way home following a trip around the world which included visits to Germany and Italy and attendance at the Madras Conference. Dr. Buckner is also contributing a series of articles to the *Indianapolis Star*.

*

Tokujiro Yamazaki and Haruyasu Nakata, staff cameramen with the Nikkatsu Motion Picture Company, arrived in Shanghai this week for the purpose of selecting locations for photographing scenery and situations for the production of a picture entitled "Men and Wheat," which will be a Japanese conception of Remarque's famous *All Quiet on the Western Front*. A large cast of actors and actresses will be brought here in the spring for producing the picture. Kintaro Arisaka, another Japanese cameraman also arrived in Shanghai this week to film "military campaigns of the Yangtsze and colorful shots of the customs and manners of the Chinese inhabitants," according to *Domei*.

B. A. T. Cannot Reopen Plants in War Zones

According to reports in the *Sin Wan Pao*, the British-American Tobacco Company will not be permitted by the Japanese Army to reopen its plants in occupied territory. A previous report said that the company would be permitted to reopen its branches in cities along the Shanghai-Hangchow-Nanking Railway. The report in the Chinese paper said that negotiations had been conducted with the Japanese authorities by the local British consular officials. It was stated that the Japanese motive in refusing permission to the foreign company to reopen its plants was due to Japanese plans to monopolize the cigarette business in Central as well as North China. It was alleged that the Japanese government-monopoly bureau had offered to buy the plants of the B. A. T. in occupied areas.

The Peiping "Provisional" Government has announced plans for the early formation of a North China Tobacco Company, which will embrace the activities of nine other companies previously operating in this field. The new company will employ a Japanese as general manager and will have branches in Tientsin, Tsinan, Tsingtao, and Shihchiachwang. It will have a capital of $15,000,000 which will be divided into 300,000 shares of $50 each. The Peiping factory will have a capacity of 300,000 cigarettes daily.

*
**

Premier Hiranuma of Japan, who is a staunch advocate of 100-percent "things Japanese," was surprised by callers recently while smoking a well known brand of English tobacco. When questioned, according to a report in the *Miyako Shimbun*, as to his reason for smoking foreign tobacco the Premier replied, "It is because Japanese tobacco has failed to make any improvement in quality for a long time. I couldn't find a single satisfactory brand among the whole range of Japanese products. I attribute the trouble to the negligence of the Tobacco Monopoly Bureau. Apparently the officials have not been able to make any advance. Tobacco is my only 'vice,' and I cannot give up my habit of smoking foreign tobacco."

Lack of Gas Caused Plane Mishap at Manila

The German Condor plane which was forced to land in Manila bay in December last year while returning to Germany, following a "goodwill" flight to Japan, was short of gasoline, according to the report of a commission of inquiry in Berlin on Feb. 10. It was claimed there were no technical defects in the plane or engine and reports of leaking gasoline pipes were found to be unfounded. The plane was flying at a low altitude preparatory to landing at the Manila airfield when it became necessary to make a forced landing in shallow water near the beach. All members of the crew were rescued, but the plane sank. It was, however, fished out later and shipped to Germany. A Japanese report printed in Tokyo attributed the accident to the fact that the plane was overloaded with Japanese gifts which were being sent to Germany by Japanese school children.

A German plane, "Arado 79," holder of the world's longest non-stop flight record, was wrecked and the pilot and an Indian passenger killed at Madras, India on Feb. 10. The plane was wrecked by a large bird which flew directly into the propeller. The pilot was First-Lieut. Pulkowsky of the German Air Force. The Indian passenger was the son of an official of the Indian Law Court. His name was not given in the report.

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New Books of Interest in the Far East

Chinese Porcelains

EARLY MING WARES OF CHING-TECHEN—By A. D. Brankston. Peking, Henri Vetch, 1938. 104 + XVI pp., illustrated, maps, silk cover. Limited edition. Chinese $20.00, U.S.$6.50.

With porcelain of the Ming dynasty began a new phase in ceramic history, and in this branch of art the summit of attainment was reached in Chingtechen, in the district of Fou-liang, Kiangsi. This is the thesis of Mr. Brankston in the book under review. It is a thesis admirably upheld by the studies of Mr. Brankston himself among collections in British museums, the Louvre, National Palace Museums, private collections in Europe and China and dealers' stocks. The evidence and opinions presented in Chinese books praising early Ming wares have been collected by Mr. Brankston, who has incorporated translations into his text and given a Chinese bibliography in Appendix IV. The entire volume has been prepared with the greatest devotion on the part of the author, from the complete descriptions of the plates to the appendices, glossary and maps. The ensemble is a satisfying presentation of a highly specialized subject.

The first part of the book deals with the four periods between 1403 and 1505, in which the artists of Chingtechen were producing the finest porcelains. These sections take up not only the technical and artistic problems of each period, but the historical situation in the Palace which influenced the taste and production at those times. It is in this very fine correlation of the most difficult technical material and the human element—the character of the artist, the court loyalty, the political situation—that Mr. Brankston has humanized a scientific subject which gains immeasurably thereby.

Mr. Brankston supports his points in the text with a wealth of plates and text-illustrations. He shows the characteristics of the Yung-Lo period, 1403-1424, as they carry over into the Hsüan-Tê period, 1426-1435, with its characteristic mark and its blue decorated wares placed above all others by Chinese writers of the past and connoisseurs of the present. It is in his discussion of this blue decorated ware and in the enamel colors of the Hung-Chih period, 1488-1505, that the tyro is introduced to the possibilities and subtleties of counterfeit wares. Records of Kiangsi say that the manufacture of Imperial porcelains ceased at the end of the Hsüan-Tê period, 1435, and was not resumed for some forty years. With the revival of the Imperial factory the Ch'êng-hua (1465-1487) colored wares were produced, and have never been surpassed or rivalled. The Hung-Chih period, 1488-1505, is a continuation of the preceding period during which the mastery of drawing and design began to fade.

The second part of the book is given over to an account of the present day porcelain industry in Chingtechen and the immediate vicinity. Mr. Brankston's investigations show a great wealth of waste material from the old kilns scattered over a wide area. The debris at Chingtechen would doubtless provide much material from the Imperial kilns. A rich field awaits the student here.

The present methods of manufacture at Chingtechen appear to be the same in all essentials as might have been used during the Ming dynasty. The excellent photographs of the various stages in manufacture correspond with descriptions in the T'ao-lu of the 18th century. There are absorbing sections on the packing and firing of the kiln and the transmutation of underglaze colors.

The appendices and glossary are filled with useful information: the symbolism and characteristics of the phoenix and dragon; Chinese dynasties and periods; shapes, sizes and names of the various porcelains described in the text; Chinese words and names from the text; a bibliography and an index. The Ceramic Map of China shows the location of kilns on the authority of persons who have visited the sites, and also describes the wares manufactured at each place.

A word about the author will be of interest. Mr. Brankston, a civil engineer, was born in China. During the past six years he has made a special study of Ming porcelain. He went to London to assist with the catalogue of the International Exhibition of Chinese Art 1935-36 at the Royal Academy and returned to China with a scholarship granted by the Universities' China Committee to study art and archaeology. Mr. Brankston is now assistant keeper of the Department of Oriental Antiquities and Ethnography of the British Museum. He is to be congratulated upon the completion of a fine work in his book on these Ming porcelains from Chingtechen.

F.M.R.

Newsman's Appraisal

THE PRESS AND WORLD AFFAIRS—By Robert W. Desmond. D. Appleton-Century Company. N.Y.-London. 1938. 421 pp. U.S.$4.00.

Bulky and numerous have been studies of the tremendous influence exerted by the press upon public opinion. There have been works on censorship, on corrupt press (Upton Sinclair's famous *Brass Check*), on newspaper contents, on the role of journalism in molding the public mind, and on a thousand and one kindred subjects. All these studies, however, suffered from the same malady: they either marshalled data tending to indict the press, or approached the subject from the point of view of a psychologist or a political scientist, rather than a newspaperman.

The value of Mr. Desmond's exhaustive work springs from the fact that in him a profound scholar is wedded to an alert and intelligent newspaperman. Thus, while going over a field bordering closely on psychology and political science, he never loses track of practical journalism.

Mr. Desmond's thesis is simple. The influence of the press upon world affairs, he says, is great, but it is both incorrect and unfair to attribute any shortcomings of the press to journalists alone. What appears in newspaper columns, he shows, is modified by the attitude of the writer, the existing facilities for the transmission of news, press censorship—both unofficial and governmental—pressure exerted by advertisers, but most of all by the readers themselves.

". . . It is this audience response," he says, " that makes so many newspapers dull, standardized, heavy-witted and elemental in their handling of everything that matters. With the exception, perhaps, of the arts and sciences, concerning which there is so little general understanding or interest that a few newspapers are able to present intelligent reports without much fear of challenge by readers whose prejudices have been outraged . . .

" Beyond that, it is difficult for the press to present a fair picture of any important subject, because the facts themselves may be elusive and kaleidoscopic in character. They are difficult to obtain. They are

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susceptible of varying, and equally logical, interpretations as to meaning or importance. One fact may be offset by another of apparently equal weight. The whole pattern of fact often must be so simplified and condensed in presentation as to distort the exact truth at times . . .

"If the press is doing less than it is capable of doing toward the advancement of civilization, the fault is not entirely its own. Its shortcomings are many, but its potentialities are unlimited . . . Its shackles, however, will not fall off, and its faults will not disappear, until the almighty reader rises in his majesty and demands an unobstructed news channel and a press made to fit higher ethical as well as technical standards."

If Mr. Desmond's conclusions are stimulating, his array of facts on journalism today and yesterday is equally illuminating. Especially interesting to this reviewer were Mr. Desmond's chapters on the history of journalism in the Anglo-Saxon countries, and those parts of the book dealing with censorship.

On the whole, the book is a necessary addition to the library of any person engaged or actively interested in journalism and a recommanded reading to every intelligent person concerned over the role played by the press in the current political chaos.

G.

Hong List for 1939

Containing 888 pages as compared with 878 in the 1938 edition, the China Hong List for 1939, published by the North-China Daily News and Herald, Ltd., came off the press last week and began finding its way into offices all over China which find it impossible to dispense with a directory.

Priced at $10, local currency, the new Hong List, as in years gone by, appears to be as complete as conscientious labor could make it. The volume is both a business and residential directory and embraces a listing of all foreigners and leading Chinese in the principal ports and cities of this country.

Compilers of the volume must have found themselves faced with an extraordinarily difficult task on account of the chaos caused by the war. Such inaccuracies as use of the new Hong List will disclose, must largely be laid to this source. That the volume has appeared at all is a tribute to the enterprise of the publishers.

G.

50,000 Gallons of Gasoline Stolen from Singapore Base

The theft of nearly 50,000 gallons of gasoline from the Singapore Naval Base over a period of years was reported in a *Reuter* dispatch Feb. 12. The thefts are believed to have been committed by Malay drivers of motor-cars of people at the Base. Loss of nearly 50,000 gallons of gasoline was revealed at the trial of a Malay driver on a charge of stealing five gallons. He was sentenced to four months' imprisonment.

Chinese Cotton Mills Buy Raw Material Abroad

Because of the strict control exercized in Japanese-occupied areas over the purchase and transportation of raw cotton, Chinese cotton mills in Shanghai are obliged to obtain their supplies from the United States, Brazil and India, according to the *Shun Pao*, which reported this week the arrival of 50,000 piculs of raw cotton from Brazil and India and the expected arrival of a further 250,000 piculs before the end of May.

As reported in last week's issue of the *Review*, more than 90 per cent of China's raw cotton exports went to Japan last year, while much of the unexported balance found its way to Japanese-owned cotton mills in China.

According to the *Shun Pao*, Chinese cotton mills in Shanghai, despite the difficulty in obtaining raw material, reported exceptional profits for 1938.

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What the Industrial Cooperative Movement Means to

FOREIGN BUSINESS HOUSES IN SHANGHAI

The Japanese did their level best to destroy all Chinese industry and stifle all foreign industry in the Shanghai industrial district where nearly 70 percent of China's modern factories were located. Chinese and foreign industrial losses in this area have been estimated as high as U. S. $844,500,000 (see booklet, "Japan's War on Foreign Business," published by *The China Weekly Review*).

In order to offset these enormous losses the Chinese authorities, in cooperation with certain foreign interests, have launched the movement for Chinese

INDUSTRIAL COOPERATIVES.

The object of the movement is to encourage the development of small industrial establishments in interior districts beyond the reach of the Japanese militarists. Already many of these small groups have been formed and they have created a demand for small machinery units suitable for special industrial plants in inland districts. Mr. Rewi Alley, formerly engaged in industrial surveys at Shanghai, is now devoting his entire time to the promotion of cooperatives in the interior.

"The Story of the Chinese Industrial COOPERATIVES"

This is the title of a 68-page illustrated booklet recently published by *The China Weekly Review*. It explains the reasons for the movement and tells how it will provide China with an industrial base which she requires in order to win out in the present struggle for the preservation of her national life.

The price of the booklet, 68-pages, convenient pocket size 5½" × 7½" is 50-cents, including postage. Send copies to your friends and business connections. Order copies from any bookstore or from

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